



KONGSBERG

INVESTOR PRESENTATION

Q3 2020

Geir Håøy, President & CEO

Gyrid Skalleberg Ingerø, EVP & CFO



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DISCLAIMER

This presentation contains certain forward-looking information and statements. Such forward-looking information and statements are based on the current, estimates and projections of the Company or assumptions based on information currently available to the Company. Such forward-looking information and statements reflect current views with respect to future events and are subject to risks, uncertainties and assumptions. The Company cannot give assurance to the correctness of such information and statements. These forward-looking information and statements can generally be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use terminology such as "targets", "believes", "expects", "aims", "assumes", "intends", "plans", "seeks", "will", "may", "anticipates", "would", "could", "continues", "estimate", "milestone" or other words of similar meaning and similar expressions or the negatives thereof.

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Highlights third quarter 2020

- Strong EBITDA and margin
 - Solid project execution and cost focus
 - Value capture program continue to deliver ahead of plan
- BNOK 5.8 in revenue
- New strategic agreement with Shell Global Solutions International
- Additional dividend and share buy-back





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Important contracts signed in third quarter



Framework agreement with NICFI for global deforestation surveillance



Framework agreement for Kognitwin® with Shell Global Solutions International



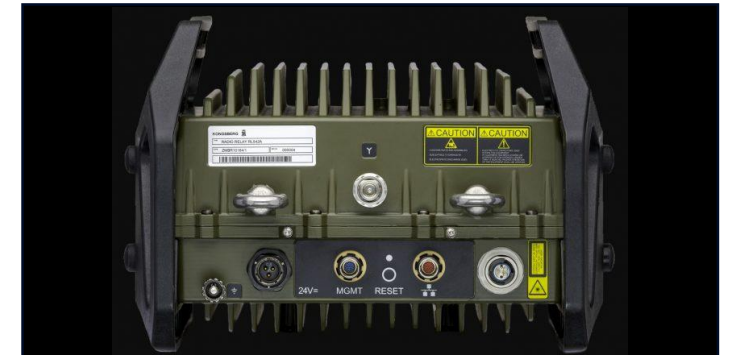
Zero-emission autonomous vessels to ASKO



Innovative krill vessel to Rimfrost



Hugin AUV Survey Systems to Garden Reach



NATO Tactical Radio Link to Norway



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Financial status

Gyrid Skalleberg Ingerø, CFO



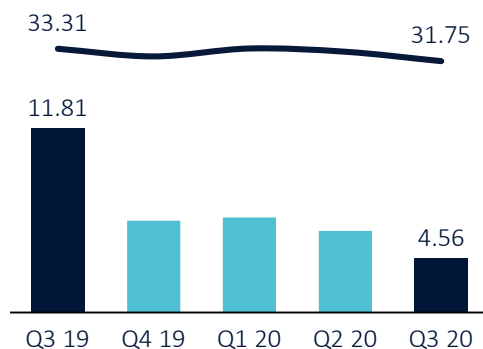
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Strong EBITDA and margins

Order intake and backlog

Order Intake YTD BNOK 17.44

(BNOK)



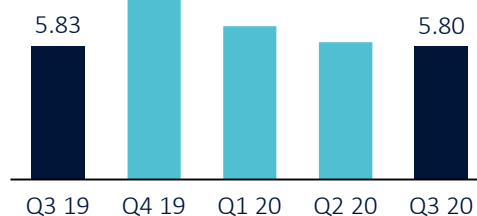
- Order intake driven by KM
- Fluctuating order intake considered normal
 - NASAMS Qatar BNOK 5.6 last year

— Order backlog

Revenue

YTD BNOK 18.46

(BNOK)

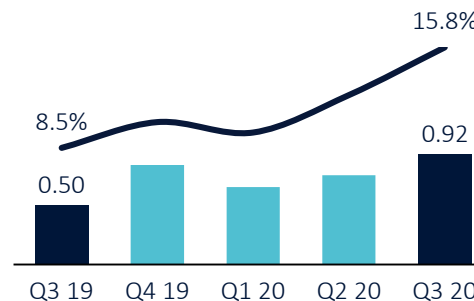


- Increased revenue in KDA offset by decreased revenue in KM
- Growth in all KDA divisions

EBITDA

YTD BNOK 2.30

(BNOK, %)

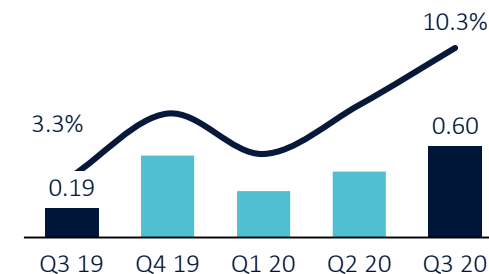


- Increased EBITDA in all business areas
 - Efficient project execution results in ~MNOK 150 additional contribution
- COVID-19 effects offset by reduced cost and investments

EBIT

YTD BNOK 1.33

(BNOK, %)



- Stable nominal level of depreciation and amortisation expected going forward
 - MNOK 669 depreciations YTD
 - MNOK 307 amortisation YTD

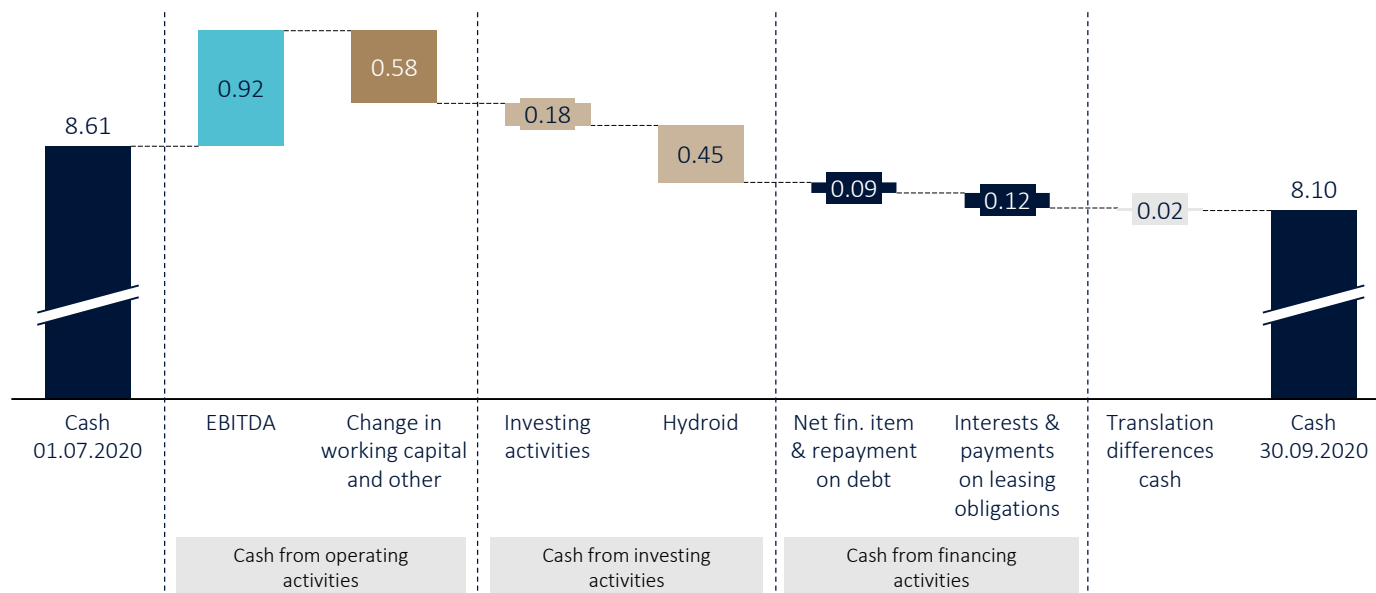


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Cashflow

Positive cashflow from operations offset by tax related to Hydroid transaction

(BNOK)



Comments

- Positive cashflow from operations, albeit with increased working capital
- Increase in working capital driven by;
 - Project ramp-up
 - Payment of employee taxes & liabilities
- “Hydroid” related to tax from Hydroid transaction



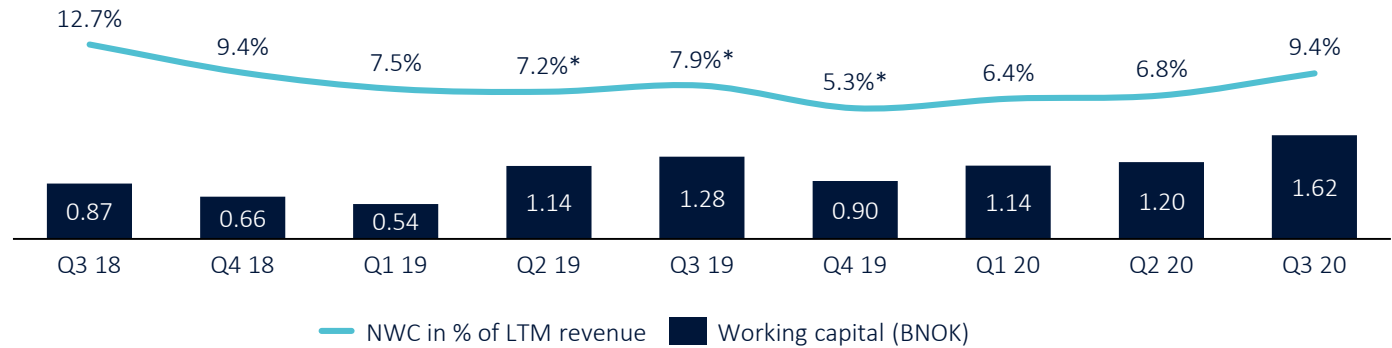
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Net Working Capital

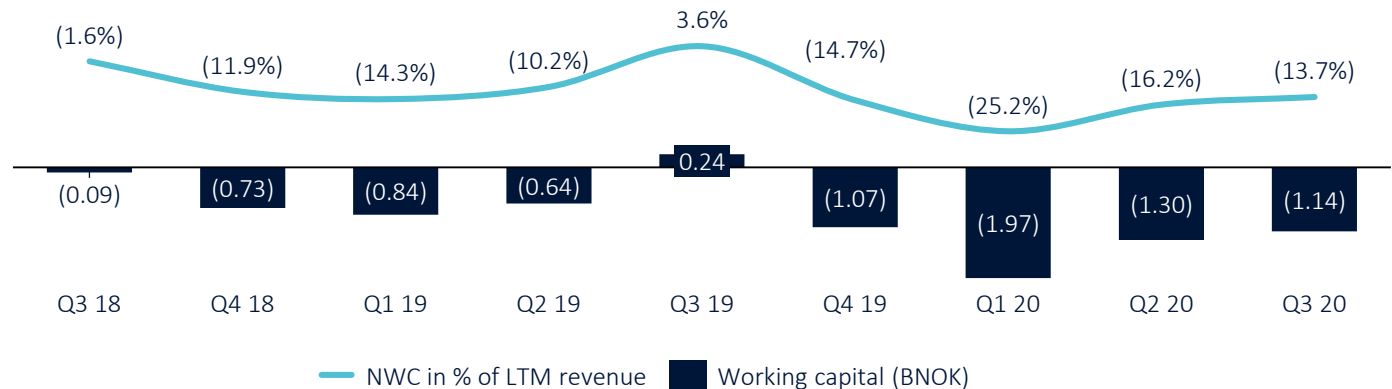
Net Working Capital by Business Area

WORLD CLASS – Through people, technology and dedication

Net Working Capital – Kongsberg Maritime



Net Working Capital – Kongsberg Defence & Aerospace



KONGSBERG PROPRIETARY - See Statement of Proprietary Information



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Kongsberg Maritime

Q3 2020

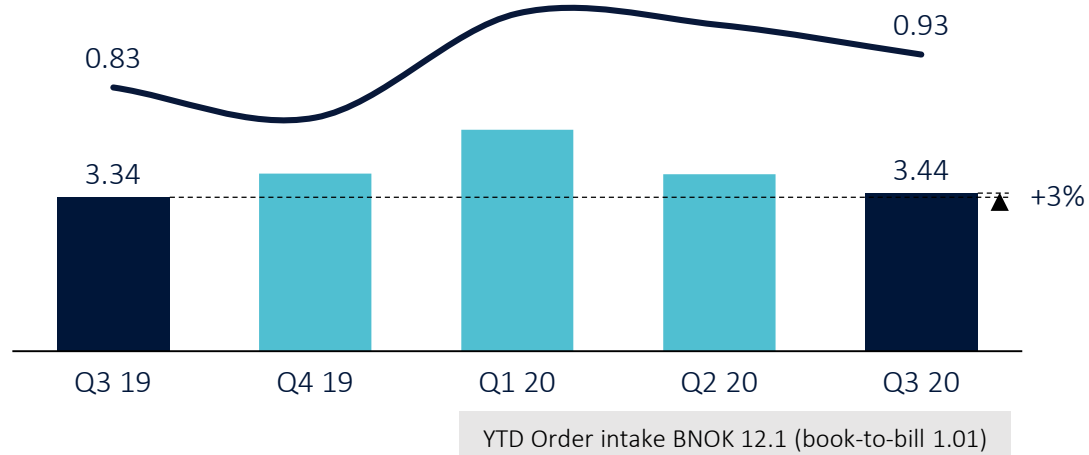


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KM order intake Q3 2020 in line with Q3 2019

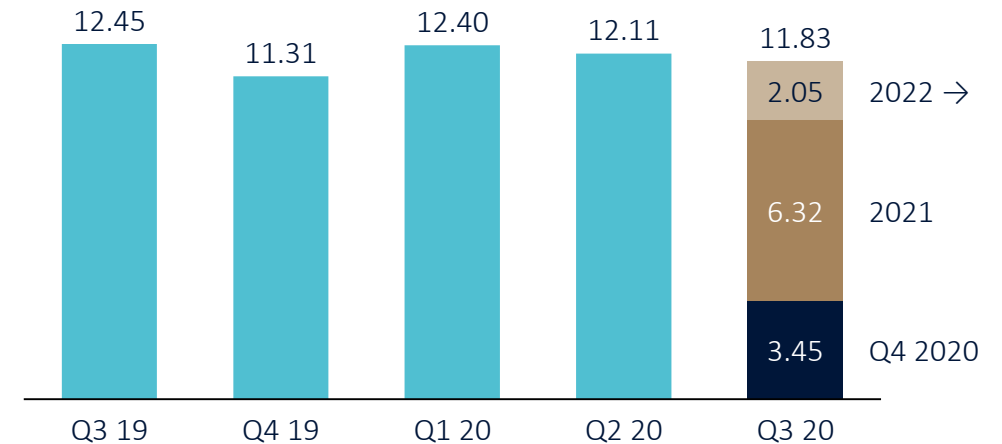
Order intake and book-to-bill

(BNOK)



Order backlog

(BNOK)



— Book-to-bill ■ Order intake



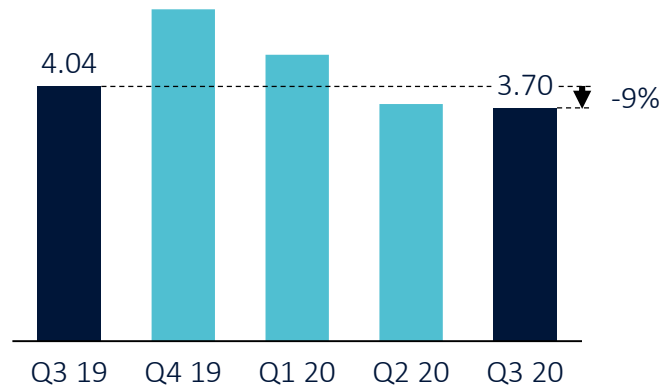
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Increased profit and margins in KM due to improved operations and lower cost

Revenue

YTD BNOK 12.00

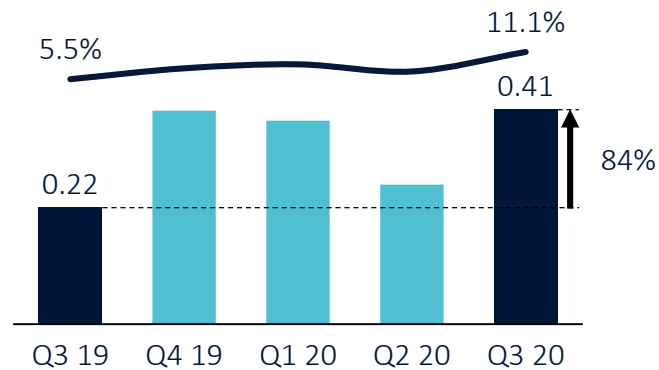
(BNOK)



EBITDA

YTD BNOK 1.07

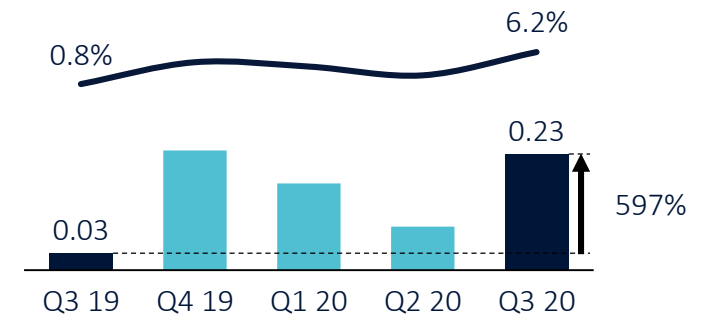
(BNOK, %)



EBIT

YTD BNOK 0.48

(BNOK, %)





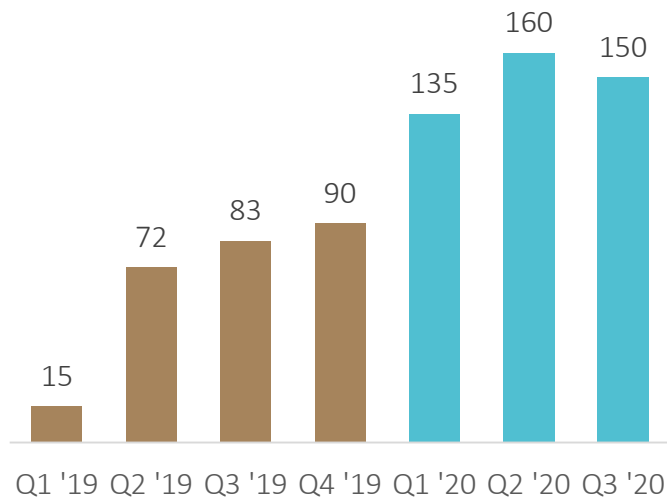
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Value Capture program approaching completion

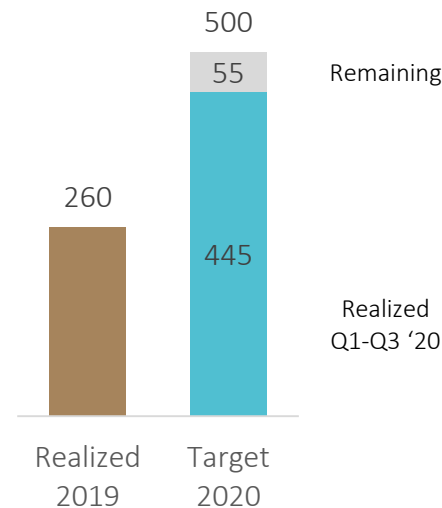
P&L effect from cost savings relative to 2018

(MNOK)

Quarterly effects



Annual effects



Status per Q3

- Realized savings of MNOK 150 in Q3 2020
- 445 MNOK realized YTD
- Deck Machinery restructuring and Propulsion & Engines optimization programs progressing well
- Total headcount reductions of 485 FTEs completed



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KDA

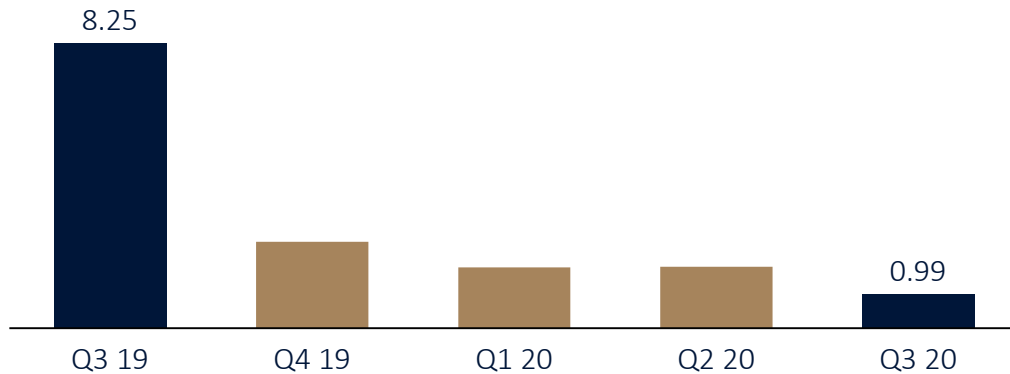


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Backlog in KDA supports growth

Order intake

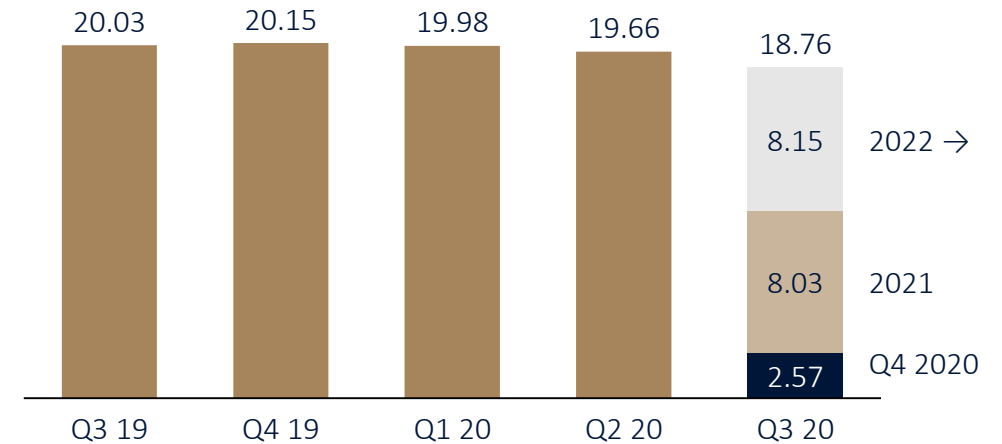
(BNOK)



YTD Order intake BNOK 4.54 (book-to-bill 0.77)

Order backlog

(BNOK)





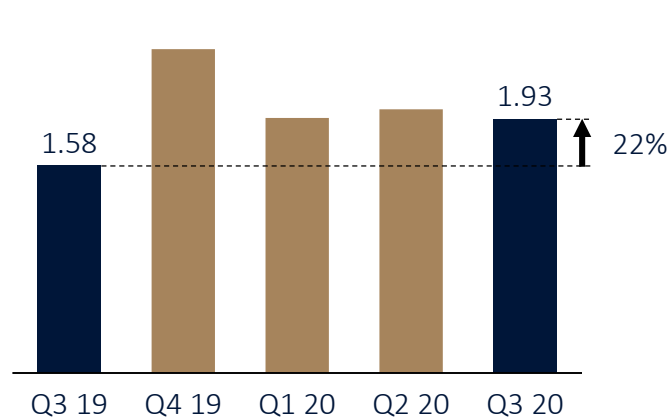
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Continued revenue growth and strong EBITDA in KDA

Revenue

YTD BNOK 5.88

(BNOK)

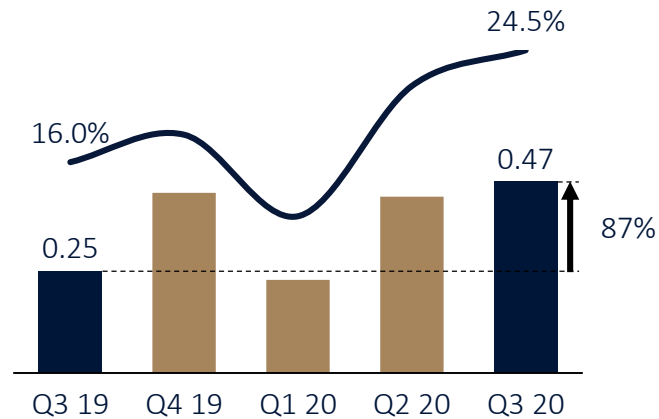


- Growth in all major programs areas

EBITDA

YTD BNOK 1.14

(BNOK, %)

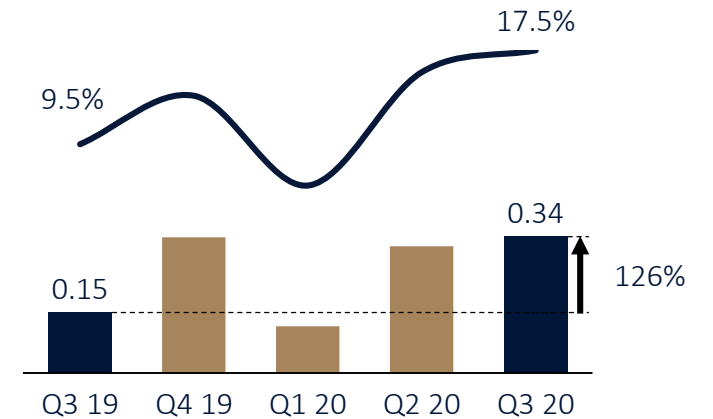


- Efficient project execution results in ~MNOK 150 additional contribution
- Favourable project mix

EBIT

YTD BNOK 0.77

(BNOK, %)



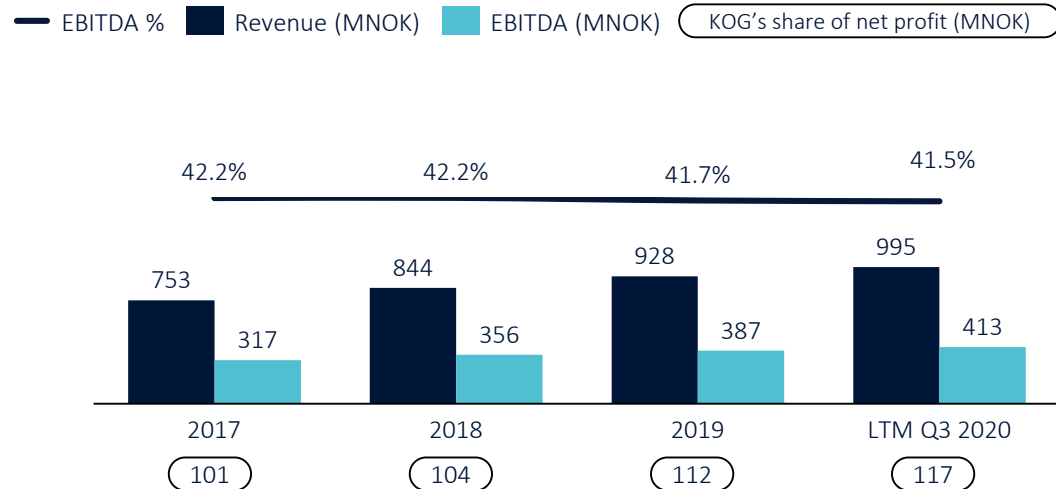
- MNOK 307 depreciation YTD
- MNOK 66 amortisation YTD



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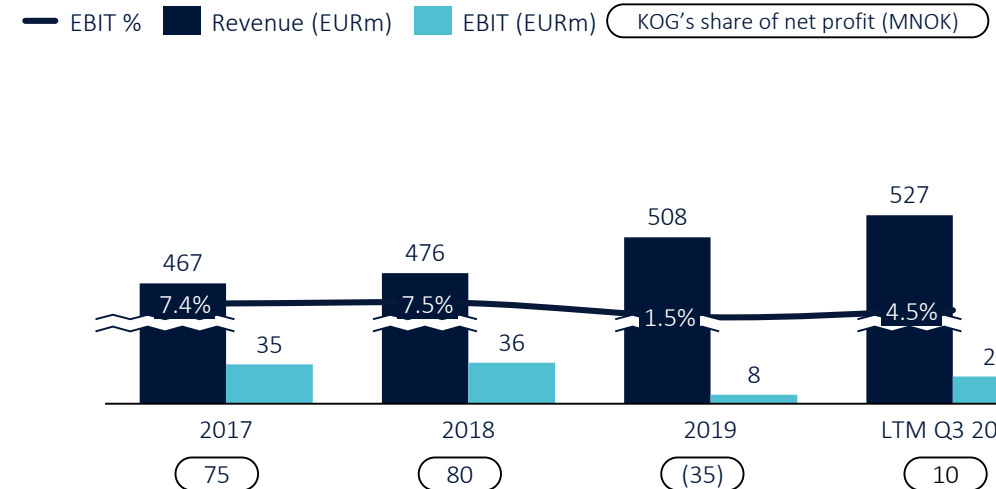
Associated Companies

KSAT revenue and EBITDA development (BNOK)



- Joint venture (50/50) with Space Norway
- Kongsberg's share of net profit reported in income from associates
- ~3.4 BNOK in backlog
- CAPEX/Sales 20 - 25%

PATRIA revenue and EBIT development (EURm)



- Minority share 49.9% (50.1% owned by State of Finland)
- Kongsberg's share of net profit reported in income from associates
- ~650 EURm in backlog
- Important part of KONGSBERG's MRO strategy



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Additional dividend and share buyback

Total remuneration



1) Paid out in May 2020

Updated dividend policy

“KONGSBERG seeks to pay an ordinary dividend per share that is stable or growing year over year. Special dividends and/or share buybacks may serve as a supplement to ordinary dividends. All shareholder distributions are subject to the company’s assessment of future capital requirements.”



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OUTLOOK



KONGSBERG DEFENCE & AEROSPACE

Current backlog secure growth in 2020 and 2021

Efficient operations and increased scale founds confidence to EBITDA target

Confidence in solid order intake going forward



KONGSBERG MARITIME

Healthy order backlog coverage and stable lifecycle business

New build market expected to remain challenging

Reduced cost will continue to support improved EBITDA margins



KONGSBERG DIGITAL

Increased interest and demand for KONGSBERG's digital solutions

Continued roll-out of KogniTwin® and Vessel Insight

Focus on growth both organic through SaaS revenues and inorganic



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Capital Markets Day 12 November 11am CET

CAPITAL MARKETS DAY 2020

INVITATION TO KONGSBERG'S CAPITAL MARKETS DAY 2020

KONGSBERG invites to Capital Markets Day, Thursday November 12th. The presentation will only be given online and will start at 11:00 am. Watch the presentation live at https://channel.royalcast.com/webcast/hegnarmedia/20201112_7

At Capital Markets Day you will see presentations from KONGSBERG's Chief Executive Officer and Chief Financial Officer as well as the Presidents from our three business areas, Kongsberg Maritime, Kongsberg Defence & Aerospace and Kongsberg Digital.

All presentations will be held in English, and the presentation materials will be published on newsweb.no and kongsberg.com.

If you want to receive more information from KONGSBERG, [please register here](#)

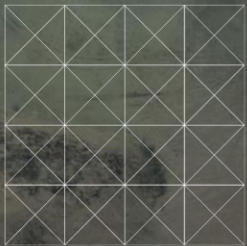
THURSDAY 12 NOVEMBER



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Q&A

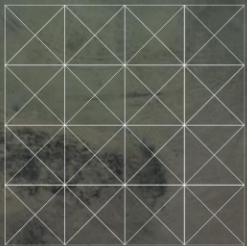




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Appendix





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150 MNOK savings realized in Q3 2020

Realized cost savings

P&L effect of cost savings relative to 2018, MNOK

Area	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Comments to realized savings
Footprint & delivery streamlining	3	11	12	15	34	45	45	Effects of co-locations, production facility shutdowns and restructuring of delivery organizations
SG&A savings and synergies	9	52	58	60	81	93	86	Cost efficient set-up of support and sales functions, as well as harmonization of terms and benefits
Product portfolio optimization	4	8	13	15	20	22	19	Mainly related to streamlining of digital marine spending (Ship Intelligence)
Total	15	72	83	90	135	160	150	2020 Q1-3 realized savings of 445 MNOK versus FY target of 500 MNOK