INVESTOR PRESENTATION

Q2 2019

28/08/2019

Geir Håøy, President & CEO
Gyrid Skalleberg Ingerø, EVP & CFO
Lisa E. Haugan, EVP Finance KM
HIGHLIGHTS Q2

GROUP:
- Rolls-Royce Commercial Marine acquisition closed on 1 April
- AIM Norway acquisition closed on 29 May

DEFENCE:
- Strong order-intake with both NASAMS Australia and new contract on F-35
- Order backlog continues to increase in Q3 with NASAMS Qatar

MARITIME:
- Strong order intake despite challenging markets
- Integration of Commercial Marine according to plan

DIGITAL:
- Growing revenues and order intake
- Profitability improved YoY
- External orders of MNOK 1 000 in backlog

6 244 REVENUES
9 617 NEW ORDERS
479 EBITDA
7.7% EBITDA MARGIN
FINANCIAL STATUS

Gyrid Skalleberg Ingerø, CFO
## IFRS 16 effects

### Q2 2019

<table>
<thead>
<tr>
<th></th>
<th>KOG incl. IFRS 16</th>
<th>KM</th>
<th>KDA</th>
<th>Others</th>
<th>KOG ex. IFRS 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>6 244</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6 244</td>
</tr>
<tr>
<td>EBITDA</td>
<td>480</td>
<td>-81</td>
<td>-39</td>
<td>11</td>
<td>371</td>
</tr>
<tr>
<td>EBIT</td>
<td>160</td>
<td>-13</td>
<td>-6</td>
<td>-</td>
<td>141</td>
</tr>
<tr>
<td>EPS</td>
<td>0.40</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.48</td>
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</table>

### H1 2019

<table>
<thead>
<tr>
<th></th>
<th>KOG incl. IFRS 16</th>
<th>KM</th>
<th>KDA</th>
<th>Others</th>
<th>KOG ex. IFRS 16</th>
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</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>9 871</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9 871</td>
</tr>
<tr>
<td>EBITDA</td>
<td>893</td>
<td>-132</td>
<td>-72</td>
<td>19</td>
<td>708</td>
</tr>
<tr>
<td>EBIT</td>
<td>399</td>
<td>-19</td>
<td>-10</td>
<td>-1</td>
<td>369</td>
</tr>
<tr>
<td>EPS</td>
<td>1.35</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.50</td>
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</tbody>
</table>
## Q2 Finances - H1 2019

**Excl. IFRS 16**

<table>
<thead>
<tr>
<th>Category</th>
<th>KM MNOK</th>
<th>KDA MNOK</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>9,871 (7,079)</td>
<td>3,198 (3,026)</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>708 (527)</td>
<td>390 (372)</td>
</tr>
<tr>
<td><strong>EBITDA Margin</strong></td>
<td>7.2% (7.4%)</td>
<td>12.2% (12.3%)</td>
</tr>
<tr>
<td><strong>Order Intake</strong></td>
<td>13,383 (8,238)</td>
<td>5,297 (3,843)</td>
</tr>
</tbody>
</table>
### Special items
Kongsberg Maritime

#### EBITDA Q2

<table>
<thead>
<tr>
<th></th>
<th>Reported EBITDA*</th>
<th>Integration Costs</th>
<th>Restructuring costs</th>
<th>&quot;Clean&quot; EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>KOG</td>
<td>371</td>
<td>54</td>
<td>31</td>
<td>456</td>
</tr>
<tr>
<td>KM</td>
<td>124</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KDA + OTHERS</td>
<td>247</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### EBITDA H1

<table>
<thead>
<tr>
<th></th>
<th>Reported EBITDA*</th>
<th>Profit from sale of Kongsberg Evotec</th>
<th>Integration Costs</th>
<th>Restructuring costs</th>
<th>&quot;Clean&quot; EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>KOG</td>
<td>708</td>
<td>107</td>
<td>133</td>
<td>31</td>
<td>765</td>
</tr>
<tr>
<td>KM</td>
<td>311</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KDA + OTHERS</td>
<td>397</td>
<td></td>
<td></td>
<td></td>
<td>397</td>
</tr>
</tbody>
</table>

*Without IFRS 16 effects"
ROLLING LTM
UNDERLYING/REPORTED PERFORMANCE
Commercial Marine included from Q2 2019

Adjustments mainly include: acquisition costs, restructuring & integration costs
REVENUES Q2

Total revenues MNOK 6 244
19.6 % YoY growth excl. CM

KM revenues MNOK 4 221
KM excl. CM MNOK 2 192, up 14.8 % YoY
CM revenues MNOK 2 029 – on par with 2018

KDA revenues up 26.9% YoY
Increased activity in most divisions

Q1 Q2 Q3 Q4 2017

Q1 Q2 Q3 Q4 2018

Q1 Q2 2019

KDA / 1 829
(1 441)

KM / 4 221
(1 910)

OTHER / 194
(174)
EBITDA Q2

5.9 % Overall EBITDA margin (6.8%)
7.3 % EBITDA margin adjusted for special items

KM EBITDA MNOK 124 (115)
KM excl. CM EBITDA MNOK 187 (8.5% margin)
CM EBITDA MNOK -63 (-3.1% margin)
• CM EBITDA excl. integration and restructuring, MNOK 22

KDA EBITDA MNOK 252 (200)
KDA / 252
13.8 % MARGIN

KM / 124
2.9 % MARGIN

OTHER / -5
Status integration
Commercial Marine

INTEGRATION COSTS

<table>
<thead>
<tr>
<th>Act2018</th>
<th>Act2019</th>
<th>Remaining</th>
<th>TOT</th>
</tr>
</thead>
<tbody>
<tr>
<td>110</td>
<td>133</td>
<td></td>
<td>450</td>
</tr>
</tbody>
</table>

Selected ongoing actions

- IT & Infrastructure
- Branding
- Legal
- Harmonization & Streamlining
- Organizational design
NEW ORDERS Q2

BOOK/BILL 1.54
MNOK 27 774 total order backlog
37% of order backlog to be delivered in 2019
38% of order backlog to be delivered in 2020

KM BOOK/BILL 1.24, MNOK 2 645 from CM
KM excl. CM order backlog increased 27.9 % YoY
CM Order backlog increased 28.0 % YoY

KDA BOOK/BILL 2.27
Order backlog increased 24.7 % YoY

KDA / 4 160 (3 045)
KM / 5 238 (2 107)
OTHER / 219 (147)

NEW ORDERS
NEW ORDERS
KONGSBERG MARITIME

Q2 2019: MNOK 5 238
KM excl. CM: MNOK 2 593 (+23.1 % YoY)
CM: MNOK 2 645 (+2.5 % YoY)

Q2 2019
KM excl. CM

39% SENSORS & ROBOTICS**
22% GLOBAL CUSTOMER SUPPORT*
39% INTEGRATED SOLUTIONS

Q2 2019
KM incl. CM

23% SENSORS & ROBOTICS**
33% GLOBAL CUSTOMER SUPPORT*
19% PROPULSION & ENGINES
18% INTEGRATED SOLUTIONS
7% SYSTEMS & DECK MACHINERY

*Global Customer Support does not include Sensors & Robotics aftermarket
** Sensors and Robotics also includes aftermarket
NEW ORDERS
KONGSBERG DEFENCE AND AEROSPACE

Q2 2019  MNOK 4 160 (+36.6% YoY)
H1 2019  MNOK 5 297 (+37.8 % YoY)
## STRONG BALANCE SHEET

<table>
<thead>
<tr>
<th></th>
<th>Q2 2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross interest bearing debt</td>
<td>4,349</td>
<td>4,332</td>
<td>3,340</td>
</tr>
<tr>
<td>Cash and short-term deposits</td>
<td>4,522</td>
<td>10,038</td>
<td>2,956</td>
</tr>
<tr>
<td>Net interest bearing debt</td>
<td>-173</td>
<td>-5,706</td>
<td>384</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>35.7%*</td>
<td>45.7%</td>
<td>35.6%</td>
</tr>
<tr>
<td>ROACE</td>
<td>11.0%</td>
<td>12.5%</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

*) included IFRS 16 effects. (38.2% excluded).
DEVELOPMENT IN CASH AND SHORT TERM DEPOSITS Q2

Operating activities
- MNOK -461

Investing activities
- MNOK -4 843

Financing/other activities
- MNOK -553

- Cash 1.4
- EBITDA
- Change in working capital
- Other operating activities
- Investments R&D/PPE
- Acquisitions *
- Other investing activities
- Net change interest-bearing loans
- Repayment of leasing liabilities
- Net other financial items
- Dividend paid
- Change in exchange rates cash
- QTD

* RRCM & AIM
DEBT POSITION

HEALTHY MATURITY PROFILE

NET INTEREST BEARING DEBT

BONDS - MATURITY PROFILE

2019 2020 2021 2022 2023 2024 2025 2026

250 550 1,500 450 500

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4

1,642 707 -173

2017 2018
**BUSINESS UPDATE KONGSBERG DEFENCE & AEROSPACE**

**Increased activity**
- Revenue improvement in all divisions, except Protech Systems
- Project deliveries speeding up
- Solid project execution

**Record high order backlog**
- NASAMS Australia
- F-35 orders
- ...and continued to grow in Q3 with NASAMS Qatar

**Kongsberg Aviation Maintenance Services**
- Acquisition closed 29 May
- MRO on fighters and helicopters
- 49.9% of the shares in AIM sold to Patria
- Strategic agreement with NDLO on MRO support
F-35 STATUS

BOOKED 5,7 BNOK

POTENTIAL 16 BNOK

JSM POTENTIAL COMES IN ADDITION

Program of Record:

Source: Lockheed Martin

<table>
<thead>
<tr>
<th>Country</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.A.</td>
<td>2,456</td>
</tr>
<tr>
<td>U.K.</td>
<td>138</td>
</tr>
<tr>
<td>Italy</td>
<td>90</td>
</tr>
<tr>
<td>Holland</td>
<td>37</td>
</tr>
<tr>
<td>Turkey</td>
<td>100</td>
</tr>
<tr>
<td>Australia</td>
<td>100</td>
</tr>
<tr>
<td>Norway</td>
<td>52</td>
</tr>
<tr>
<td>Denmark</td>
<td>27</td>
</tr>
<tr>
<td>Canada</td>
<td>88</td>
</tr>
<tr>
<td>Israel</td>
<td>50</td>
</tr>
<tr>
<td>Japan</td>
<td>147</td>
</tr>
<tr>
<td>Korea</td>
<td>40</td>
</tr>
<tr>
<td>Belgium</td>
<td>34</td>
</tr>
</tbody>
</table>

Tot. # 3,359
BUSINESS UPDATE KONGSBERG MARITIME

A strong quarter within Sensors & Robotics
- Revenue growing due to strong order intake the past year
- AUV & Fisheries
- Q2 order intake close to MNOK 1,300

Global aftermarket increasingly important
- 60% of CM’s revenues in Q2 from aftermarket
- With CM included, KM serves more than 30,000 vessels.
- Enables more competitive solutions for the after market

Other segments
- Good revenues as well as order intake for LNG/OPU segment
- Second semi-sub for Awilco with combined KM/CM delivery
- BNOK 1 order intake for Propulsion & Engines
SOLID AND DIVERSIFIED ORDER INTAKE AT KM

TOTAL ORDER INTAKE H1 2018: MNOK 4 007
TOTAL ORDER INTAKE H1 2019: MNOK 5 006*

* Does not include order intake from Commercial Marine

** Fish, Research & Aquaculture + Seatex
NORWAY’S 3 NEW COAST GUARD VESSELS

- The 136 meter long vessels are to be constructed at Vard Langsten, Norway
- Significant equipment delivery from Kongsberg Maritime
- Contract value of approx. MNOK 280
- To be delivered from KM in 2020, 2021 and 2022
- About 80% of KM’s deliveries to these vessels will be manufactured in Norway

(Photo: Vard/LMG Marin/Norwest3D/K.R. Venås)
BUSINESS UPDATE
KONGSBERG DIGITAL AND PATRIA

KDI

SOLID REVENUE INCREASE PAST YEAR

- Book/bill 1.11 in Q2, 1.10 in H1
- Experiencing substantial attention on strategic offerings from a broad range of clients

Development in LTM Revenues

PATRIA

Q2 REVENUES AT MEUR 134, up from MEUR 116 YoY

- Mainly related to MRO business, especially increased activity within Millog.
- Increased focus on capture teams to position for, and secure orders, especially within Land business
- Acquired 49.9% of AIM Norway and 100% Belgium Engine Center (BEC)
- KONGSBERG’s share of net profit was MNOK 5 in Q2 (MNOK 2 in Q2 2018)
VALUE CAPTURE
Overview of cost improvements and synergies

Planned annual P&L effect relative to 2018, MNOK

- Footprint & delivery streamlining: ~225 MNOK
- SG&A savings and synergies: ~225 MNOK
- Product portfolio optimization: ~50 MNOK

Areas of cost savings:

<table>
<thead>
<tr>
<th>Year</th>
<th>Footprint &amp; delivery streamlining</th>
<th>SG&amp;A savings and synergies</th>
<th>Product portfolio optimization</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>~200</td>
<td>~375</td>
<td>~475</td>
</tr>
<tr>
<td>2020</td>
<td>~375</td>
<td>~475</td>
<td>~500</td>
</tr>
<tr>
<td>2021</td>
<td>~475</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>~500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Overall status

- **Execution of Value Capture program** proceeding according to the plan outlined in the Q1 2019 Investor Presentation
- **Realized savings YTD June** of ~87 MNOK, well on track for ~200 MNOK effect realization for 2019 FY
- **Process concluded** for ~180 FTEs out of the announced reduction of 260
- **Joint plan for digital marine development established.** Streamlining of overlapping efforts and prioritization of activities to market needs result in significant cost reductions, while retaining ambition to be the leading provider of digital marine solutions
- **Restructuring of Deck Machinery and Ship Design on track,** to improve loss-making CM units. Key ongoing measures include capacity rightsizing, exit of Vietnam facility (Vung Tau) and establishment of Brattvåg Innovation Park
- **Optimization of overlapping international footprint continues.** 12 sites co-located to date, in total ~20 locations to be co-located
### EFFECTS STARTING TO MATERIALIZE

**Realized cost savings**

*P&L effect relative to 2018, MNOK*

<table>
<thead>
<tr>
<th>Area</th>
<th>Realized YTD June</th>
<th>FY plan</th>
<th>Comments to realized savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Footprint &amp; delivery streamlining</td>
<td>18</td>
<td>90</td>
<td>Initial effects of co-locations and optimization of delivery organizations</td>
</tr>
<tr>
<td>SG&amp;A savings and synergies</td>
<td>59</td>
<td>100</td>
<td>Savings driven by more cost efficient set-up of group support functions</td>
</tr>
<tr>
<td>Product portfolio optimization</td>
<td>10</td>
<td>10</td>
<td>Savings related to streamlining of digital marine spending (Ship Intelligence)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>87</strong></td>
<td><strong>200</strong></td>
<td>Realized cost savings on track for FY 2019 target</td>
</tr>
</tbody>
</table>

Restructuring costs incurred to date is 34 MNOK
Date: 24 September 2019
Time: 12:00 – 15:30
Place: Oslo, Felix Conference Center

Strategy and business update, including updated financial targets
KONGSBERG PROPRIETARY

WORLD CLASS – Through people, technology and dedication

2019 OUTLOOK

KM
Good order backlog and some improvement in lifecycle business founds some revenue growth
Integration of CM will impact overall profitability

KDA
Current backlog indicates growth independent of new contracting
Order backlog continued to grow in July 2019 and is now more than BNOK 19

KDI
Solid growth in backlog
Accelerating development to secure a global number one position