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
Financial Status
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
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
 EBIDTA Q1

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

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
New orders by Division

Kongsberg Maritime

- VESSEL SYSTEMS: 20%
- SOLUTIONS: 20%
- GLOBAL CUSTOMER SUPPORT*: 24%
- SUBSEA**: 36%

*GCS does not include Subsea aftermarket
**Subsea also includes Subsea aftermarket
Q1
New orders by Division
Kongsberg Defence & Aerospace

- 25% AEROSTRUCTURES
- 16% SPACE & SURVEILLANCE
- 16% PROTECH SYSTEMS
- 24% INTEGRATED DEFENCE SYSTEMS
- 11% DEFENCE COMMUNICATIONS
- 8% MISSILE SYSTEMS
Cash flow Q1

- MNOK 217 cash reduction
  - Share buy-back to employee share programme
  - Increased working capital
## Strong balance sheet

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross interest bearing debt</td>
<td>3,340</td>
<td>3,340</td>
</tr>
<tr>
<td>Cash and short-term deposits</td>
<td>2,739</td>
<td>2,956</td>
</tr>
<tr>
<td>Net interest bearing debt</td>
<td>601</td>
<td>384</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>35.9 %</td>
<td>35.6 %</td>
</tr>
<tr>
<td>ROACE</td>
<td>8.8 %</td>
<td>9.1 %</td>
</tr>
</tbody>
</table>
Debt position
Healthy maturity profile
Business Update
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
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
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
### 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.
Thank you

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