Highlights Q3

Unanimous support on rights issue from Norwegian Parliament

Solid order intake in KM, book/bill 1.68

Continued solid operations in KDA, CROWS-deliveries secured for another five years

3 154
REVENUES

4 477
NEW ORDERS

Q3
2018

347
EBITDA

11.0 %
EBITDA-MARGIN
Financial Status
**YTD 2018**

Solid order intake, both in KM and KDA

Increased profitability

Somewhat lower revenues

---

**REVENUES**

- **10 233 MNOK**
  - KM MNOK 5 504 (5 552)
  - KDA MNOK 4 206 (4 650)

**EBITDA**

- **874 MNOK**
  - KM MNOK 454 (361)
  - KDA MNOK 492 (391)

**EBITDA-margin**

- **8.5 %**
  - KM 8.2 % (6.5 %)
  - KDA 11.7 % (8.4 %)

**NEW ORDERS**

- **12 715**
  - KM MNOK 7 031 (5 643)
  - KDA MNOK 5 115 (2 208)

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**YTD 2018**

- **Solid order intake, both in KM and KDA**
- **Increased profitability**
- **Somewhat lower revenues**
REVENUES Q3

Q3 revenues down 3.8 %

- KM revenues down 0.9 % YoY
- KDA revenues down 7.9 % YoY
**EBITDA Q3**

- Improved underlying margin
  - MNOK 25 integration costs in Q3 2018
  - MNOK 90 restructuring costs in Q3 2017
- High utilization in KM’s lifecycle business
- Continued solid margin in KDA

**MARGIN**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KDA</strong></td>
<td>120</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>110%</td>
</tr>
<tr>
<td><strong>KM</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>274</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>347</td>
<td>11.4%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10.2%</td>
</tr>
</tbody>
</table>

**Q3 2018 MARGIN**

11.0%
NEW ORDERS Q3

- KM book/bill 1.68
  - Three major orders, totaling approx. MNOK 650 in addition to continued good ordering from the traditional merchant segments, and within marine robotics and fishery

- KDA book/bill 1.08
  - First order, valued at MUSD 74, signed under new CROWS framework agreement
New orders by division
YTD 2018 – Kongsberg Defence & Aerospace

YTD 2018

22%
OTHER*

15%
AERO-
STRUCTURES

43%
MISSILE
SYSTEMS

20%
PROTECH
SYSTEMS

16%
OTHER*

20%
AERO-
STRUCTURES

59%
PROTECH
SYSTEMS

5%
MISSILE
SYSTEMS

Q3
2018

*Other includes Defence Communications, Integrated Defence Systems and Space & Surveillance
New orders by Division

2018 – Kongsberg Maritime

Q3 2018

46% SOLUTIONS

13% VESSEL SYSTEMS

19% GLOBAL CUSTOMER SUPPORT*

22% SUBSEA**

YTD 2018

30% SOLUTIONS

18% VESSEL SYSTEMS

22% GLOBAL CUSTOMER SUPPORT*

30% SUBSEA**

*Global Customer Support does not include Subsea aftermarket

** Subsea also includes Subsea aftermarket
## Strong balance sheet

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018</th>
<th>Q2 2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross interest bearing debt</td>
<td>3 326</td>
<td>3 337</td>
<td>3 340</td>
</tr>
<tr>
<td>Cash and short-term deposits</td>
<td>2 990</td>
<td>2 630</td>
<td>2 956</td>
</tr>
<tr>
<td>Net interest bearing debt</td>
<td>336</td>
<td>707</td>
<td>384</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>35.5 %</td>
<td>35.1 %</td>
<td>35.6 %</td>
</tr>
<tr>
<td>ROACE</td>
<td>10.8 %</td>
<td>9.4 %</td>
<td>9.1 %</td>
</tr>
</tbody>
</table>
Debt position
Healthy maturity profile
Business Update
Business Update
Kongsberg Maritime

Good order intake, stable revenues and improved margins

- Several orders on larger integrated solutions
  - Awilco
  - Grimaldi
  - Offshore Heavy Transport
- Continued good order intake from traditional merchant such as bulk, container and LNG-vessels
- Subsea segments such as fishery and marine robotics continue to deliver
- Continued high utilization within global customer support
Business Update
Kongsberg Defence & Aerospace

KDA
Solid margins and next five years of CROWS deliveries secured

- Next five years of deliveries to the CROWS-program secured
  - MUSD 498 Framework agreement
  - First contracted signed, valued at MUSD 74
  - Delivered 12,500 RWS under CROWS so far
  - More than 15,000 RWS when including Stryker

- Negotiations on Qatar programs progressing as expected
**Business Update**

Kongsberg Digital & Patria

### KDI
- High development activity in initiatives such as Kognifai and digital twin
- Improved order intake in Q3
  - MSGD 21 contract within Maritime Simulation to deliver Tactical Boat Handling and Firing Simulator to Singapore Police Coast Guard

### Patria
- MEUR 93 revenues
  - 6.9% increase from Q3 2017
  - Continued low activity and declining backlog for Land business (vehicles)
  - Good development within systems and maintenance areas
- MEUR 10 EBITDA, down from MEUR 11 in Q3 2017
  - Relates to volume decline in Land business
Questions?

www.kongsberg.com