



INVESTOR PRESENTATION Q3 2014:
REVENUE AND COMPARABLE EBITDA IMPROVED FROM PREVIOUS QUARTER

October 30, 2014
Matti Hyytiäinen, President & CEO



Q3/2014 Highlights

Business Environment

- Heavy and medium duty truck production decreased from previous year in Europe and South America
- North American heavy duty truck production increased from previous year driven by healthy truck demand

PKC's Operations

- Utilization rates improved in North America
- Development program progressing in Europe and South America

PKC's Financial Performance

- Revenue and comparable EBITDA improved from previous quarter
- Cash flow from operations positive EUR 6.5 million in the third quarter



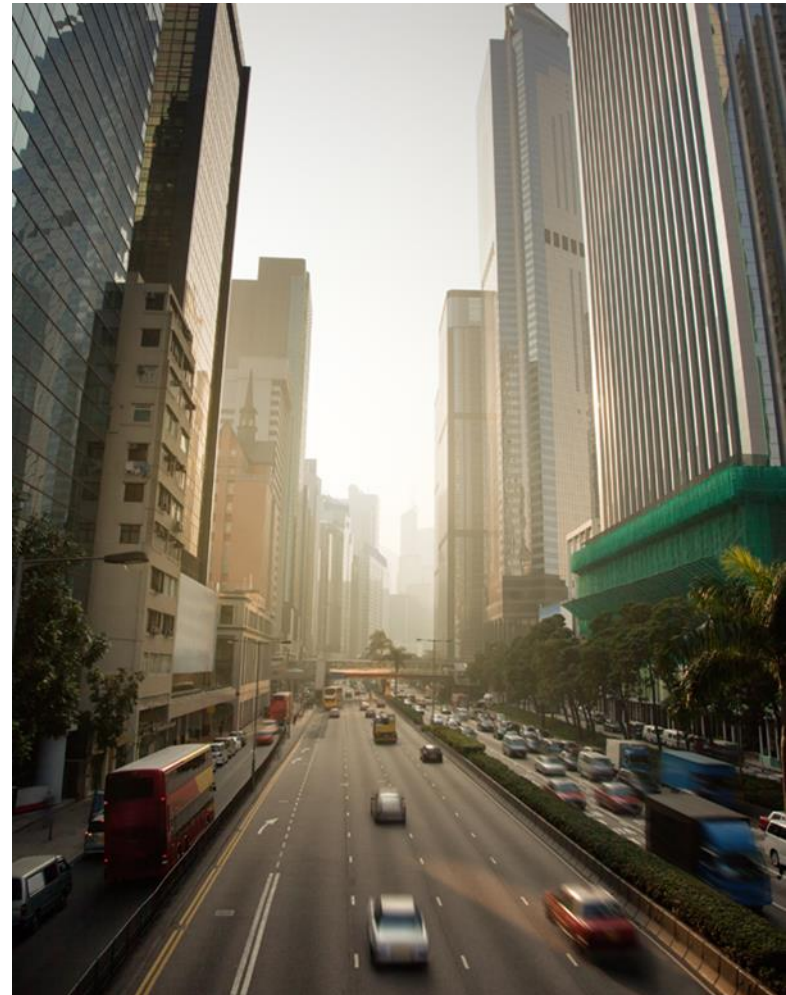
Strategy 2018 Update

Maximizing current PKC set-up

- Nogales (Mexico), Sosnowiec (Poland), Haapsalu (Estonia) and Itajuba (Brazil) factories are to be closed by year end of 2014
- New flexible and cost-efficient factories in Lithuania and Serbia are in production and continue to be further ramped up

Penetrating into APAC

- Awards received for design and manufacturing of multiple programs in China which are to be ramped up during 2015
- Quotation activities are increasing in China



Key Figures

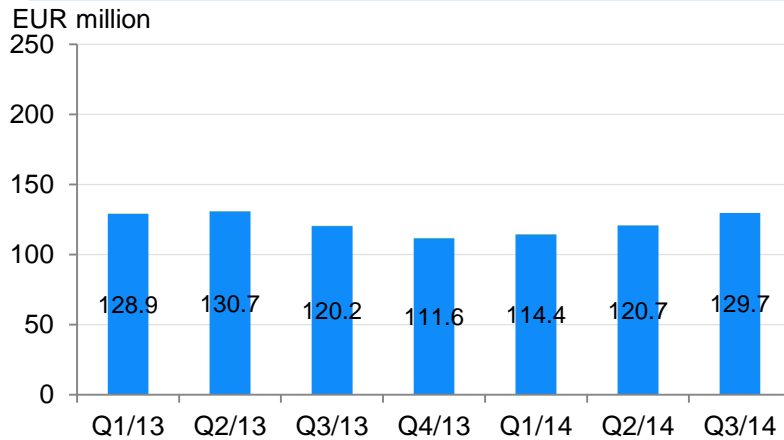
EUR million	7-9/14	7-9/13	Change %	1-9/14	1-9/13	Change %	2013
Revenue	210.7	211.6	-0.5	620.7	671.9	-7.6	884.0
EBITDA ¹⁾	15.2	17.0	-10.8	39.7	56.4	-29.6	70.3
EBITDA ¹⁾ %	7.2	8.0		6.4	8.4		8.0
Non-recurring items	-12.4	-1.7	633.4	-16.6	-8.3	99.1	-10.4
Operating profit	-4.0	7.9	-151.1	3.0	25.9	-88.6	30.5
Diluted EPS (EUR)	-0.73	0.14	-629.8	-0.58	0.55	-205.1	0.62
Cash flow from operations	6.5	8.4	-22.2	6.6	16.8	-60.5	39.7
Gross capital expenditure	4.4	3.6	21.7	16.0	10.5	52.3	14.6
Net working capital ²⁾	66.9	82.1	-18.5	66.9	82.1	-18.5	63.5
Total assets	466.0	503.1	-7.4	466.0	503.1	-7.4	455.6
Gearing, %	12.9	9.0		12.9	9.0		-1.1

¹⁾ Excluding PPA depreciation and amortisation and non-recurring asset impairment and write-downs

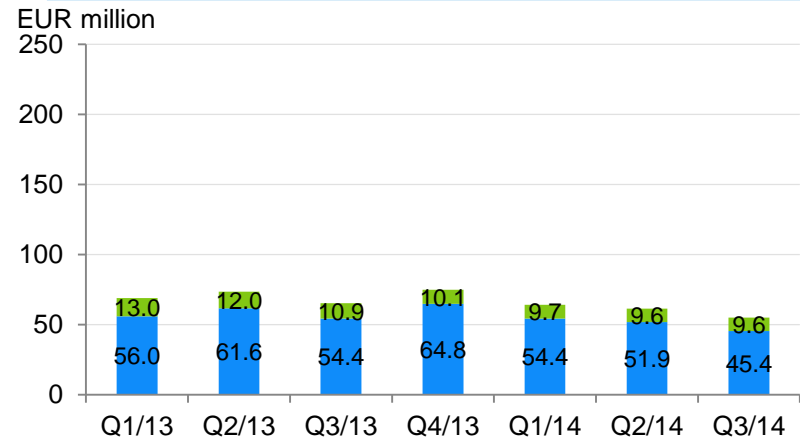
²⁾ Q3/14 includes additional tax liability of EUR 8.3 million

Revenue

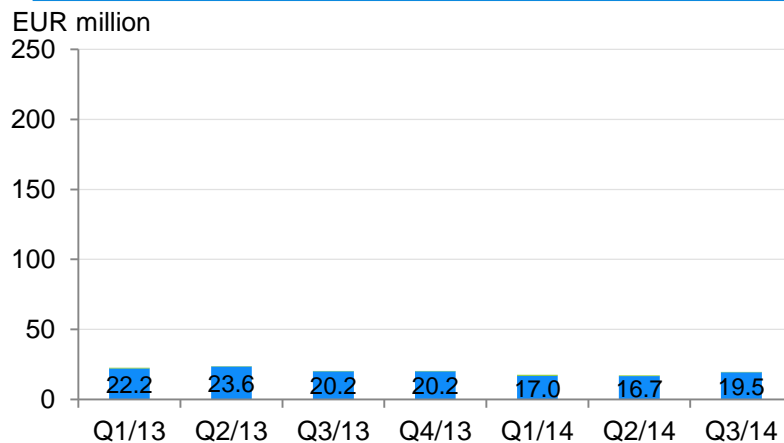
North America



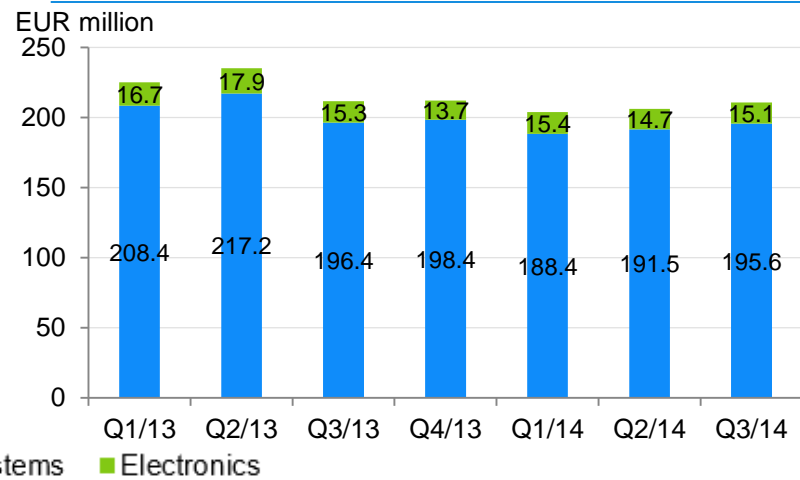
Europe



South America



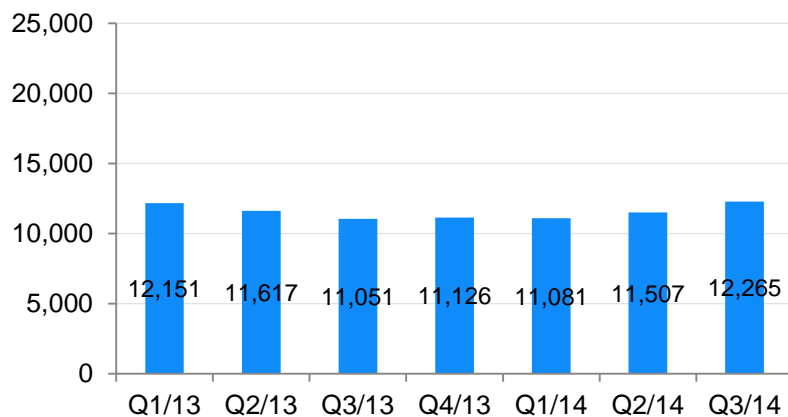
Total Group



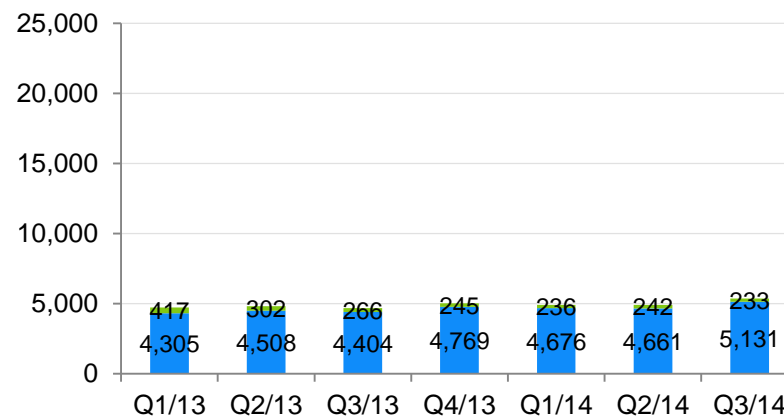
■ Wiring Systems ■ Electronics

Average Number of Personnel

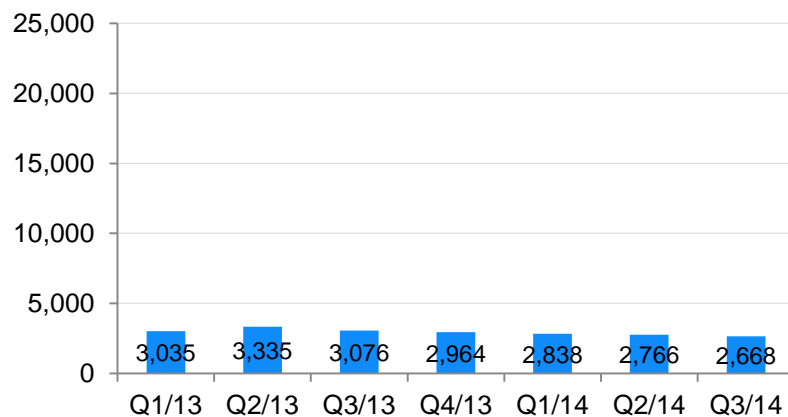
North America



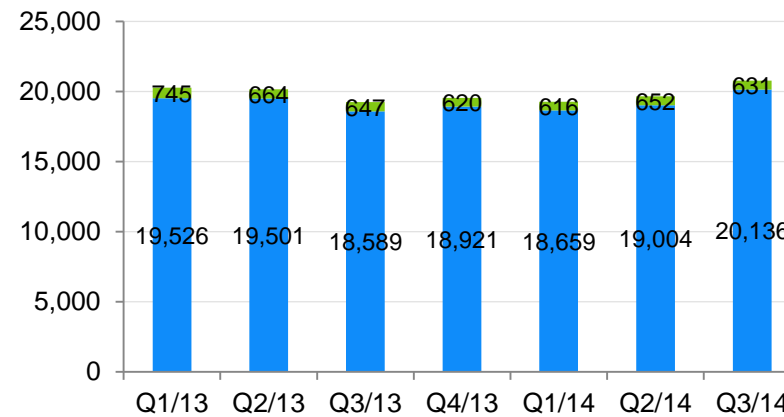
Europe



South America

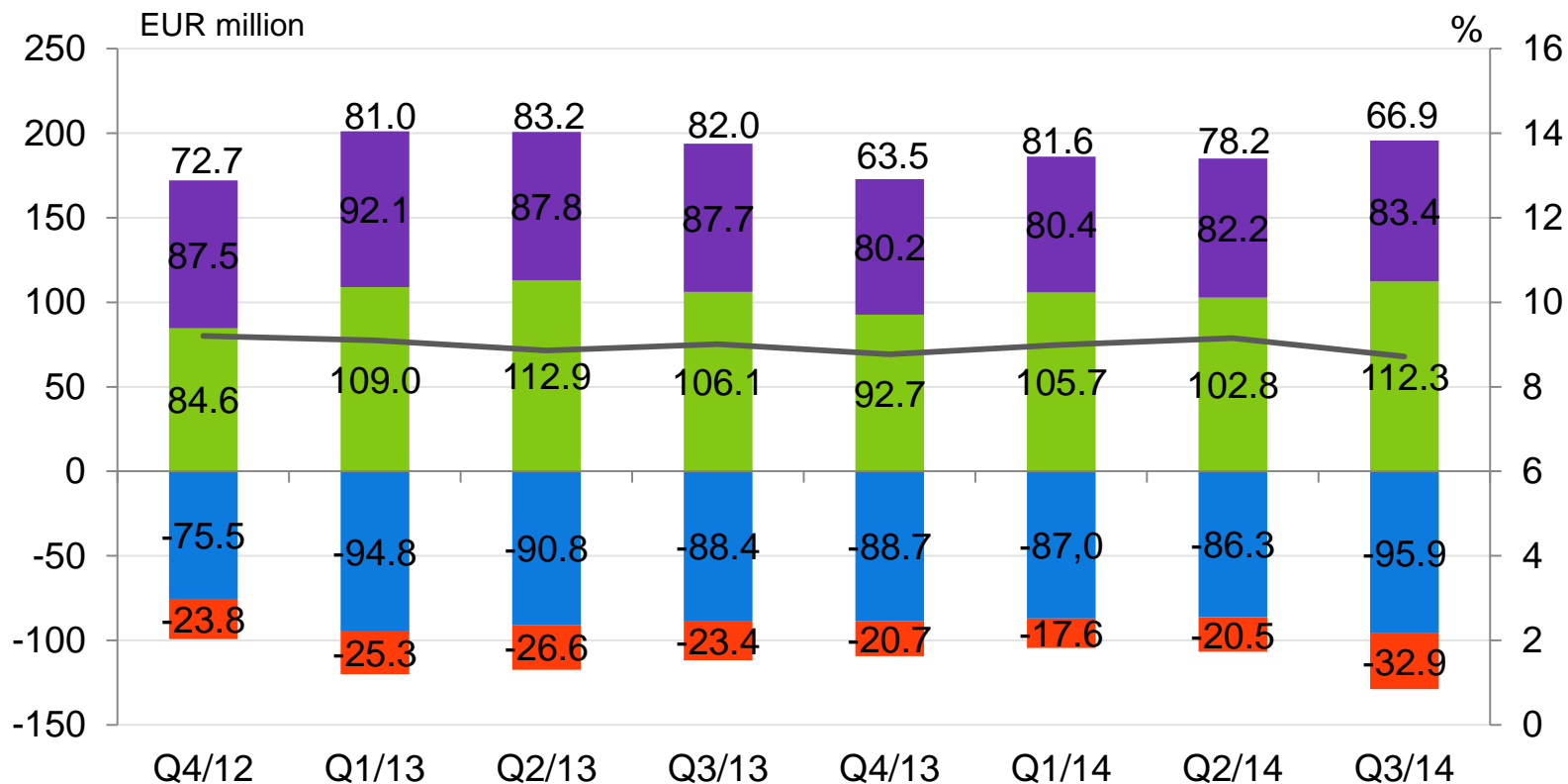


Total Group



■ Wiring Systems ■ Electronics

Net Working Capital




 Inventories

 Trade receivables

 Trade payables

 Other liabilities and receivables***

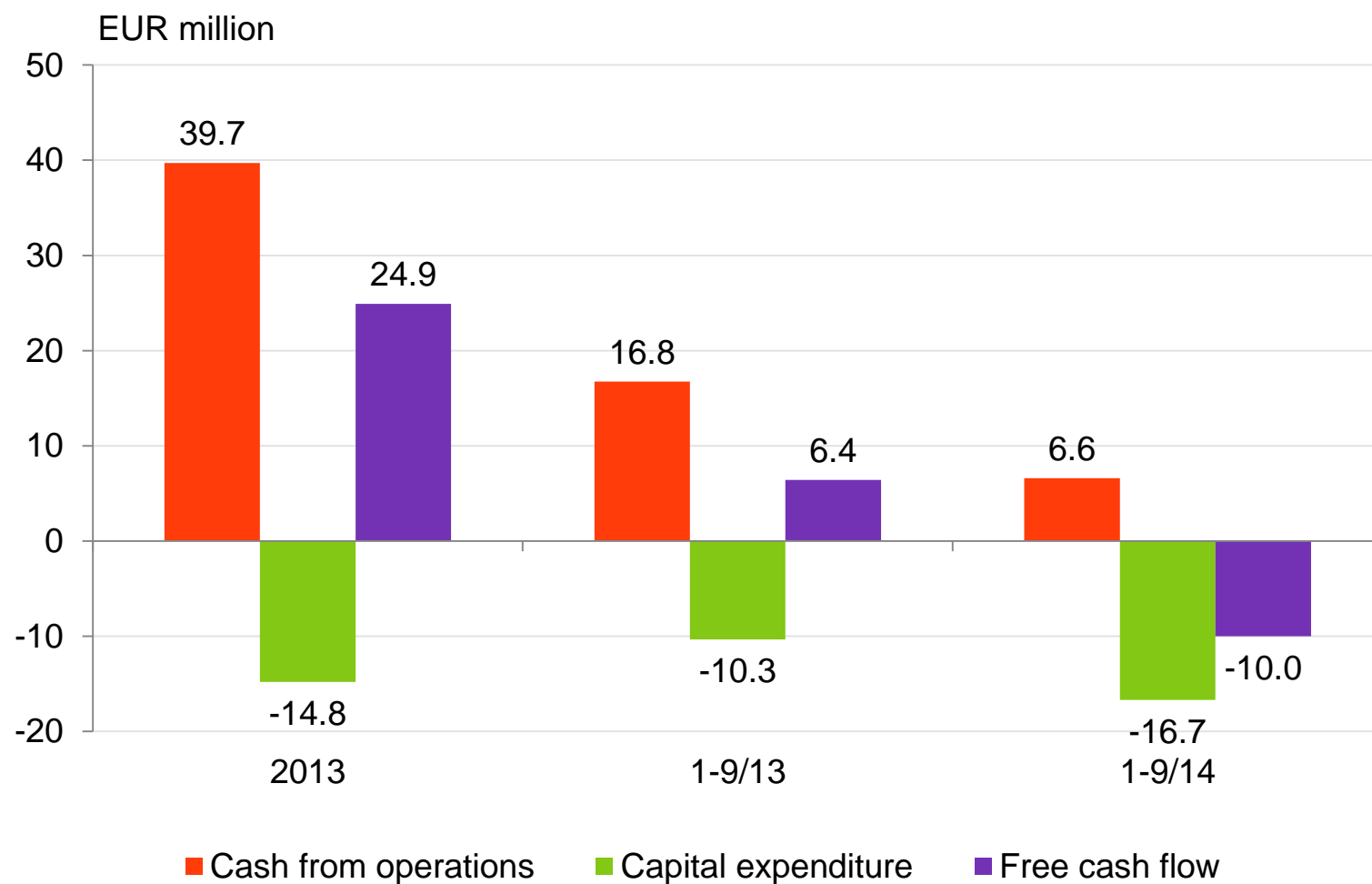
 NWC* % of Revenue**

* Average of previous four quarters

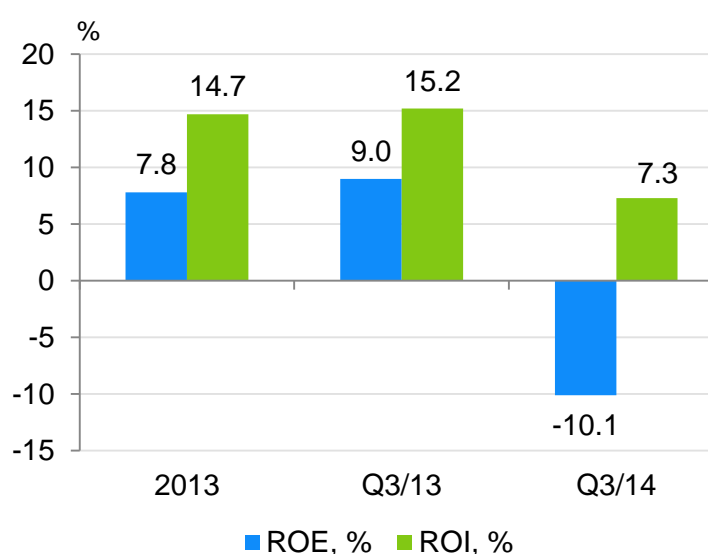
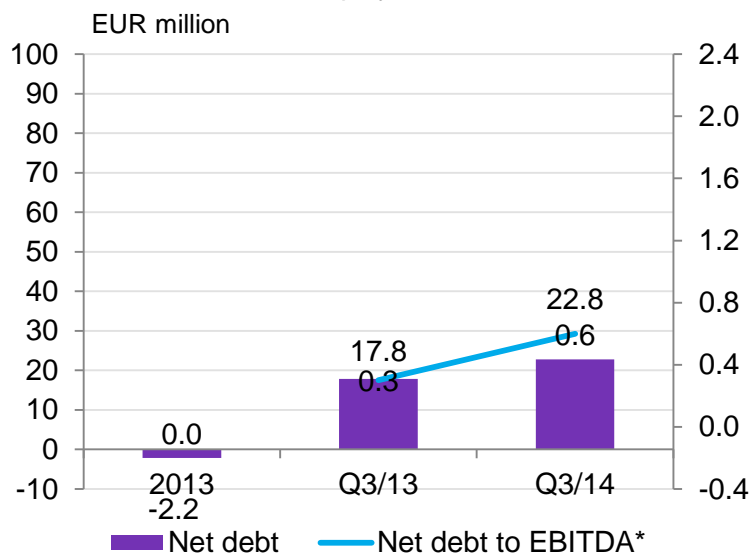
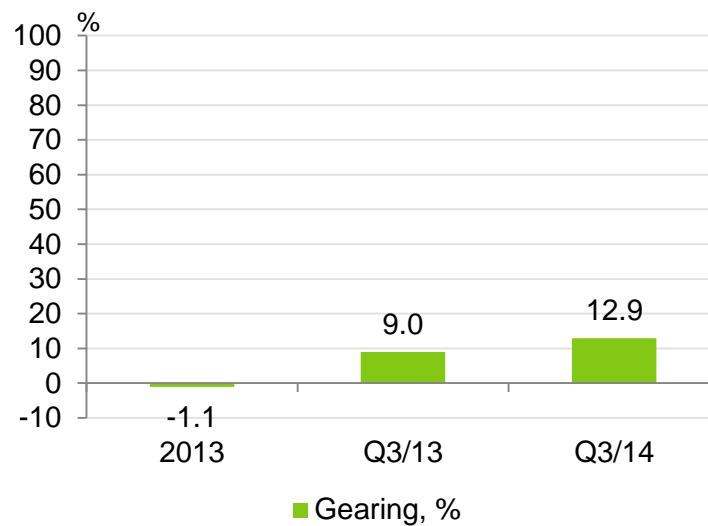
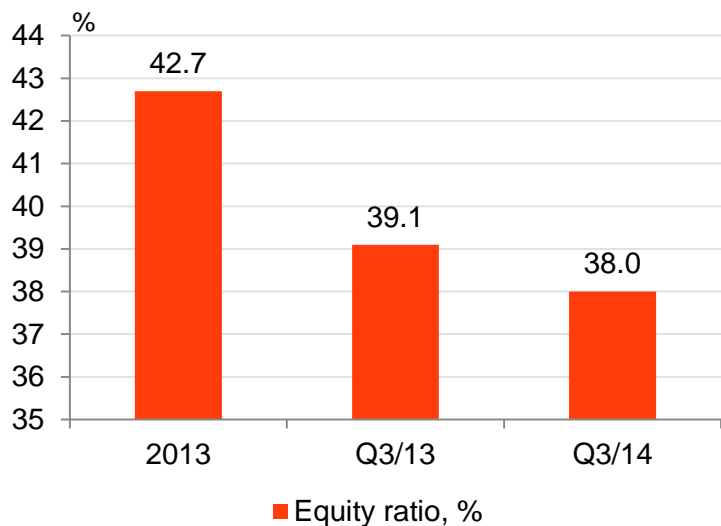
** Revenue of previous 12 months

*** related to employee benefits, taxes and financial items, Q3/14 includes additional tax liability of EUR 8.3 million

Cash Flow



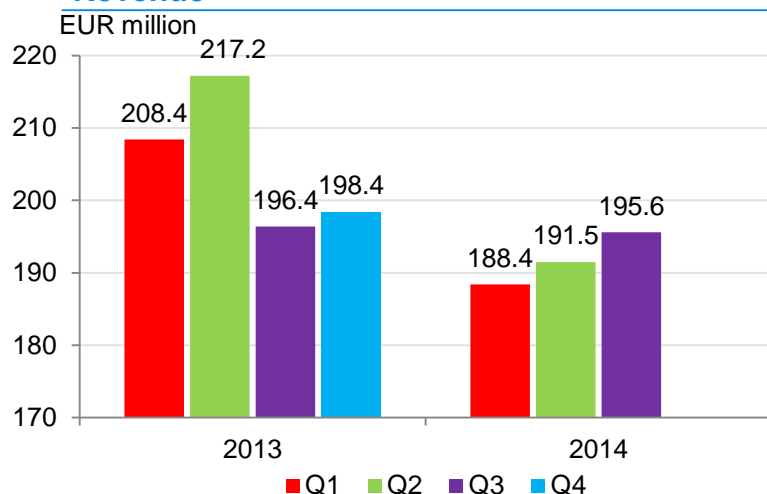
Balance Sheet and Returns



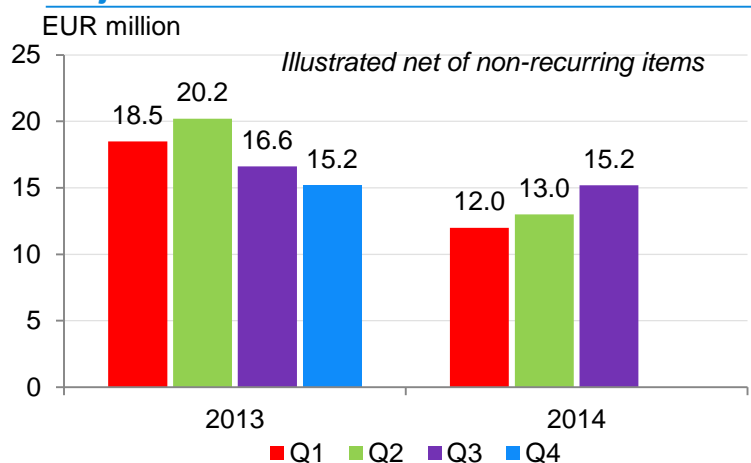
*EBITDA of previous 12 months

Wiring Systems Segment, Q3/2014

Revenue

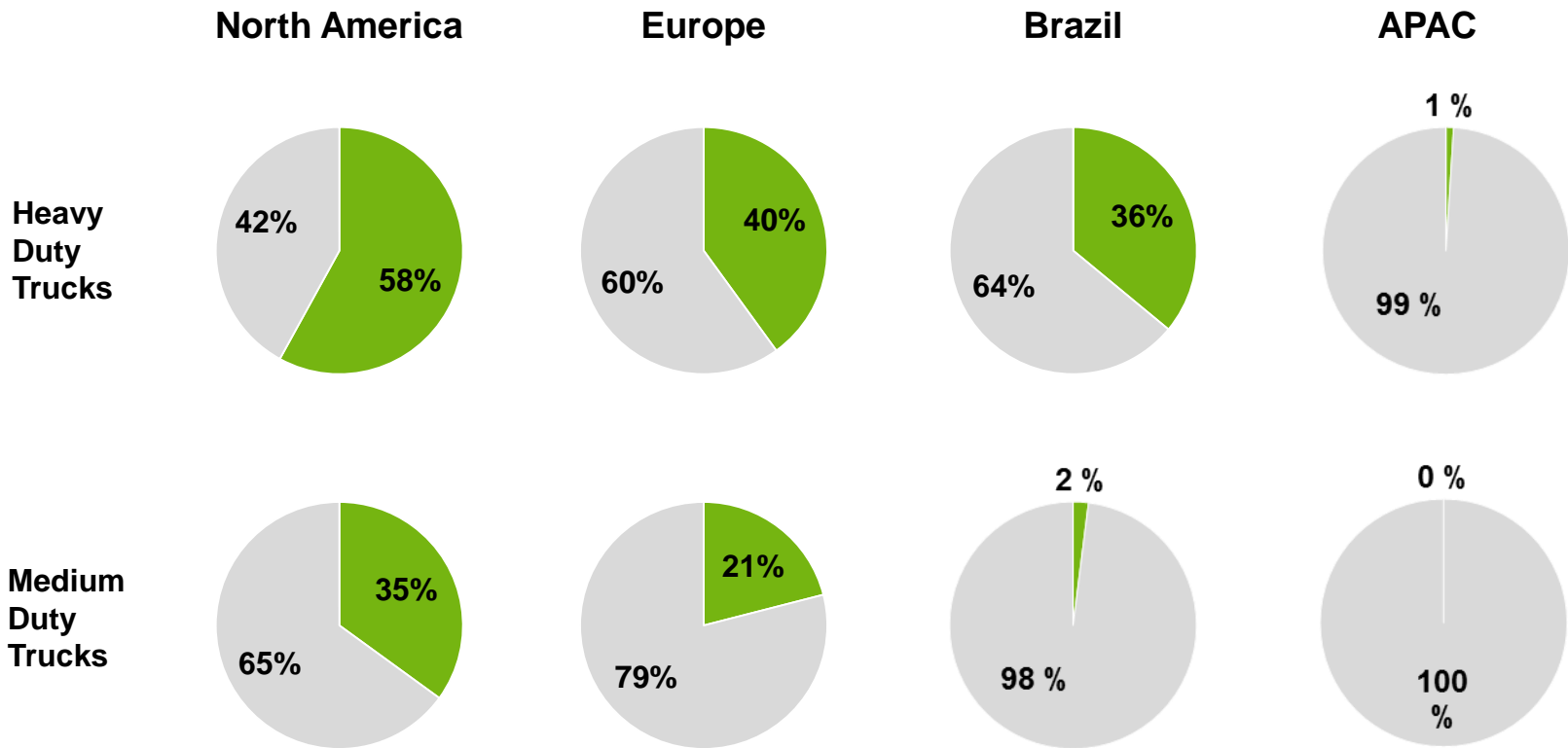


Adjusted EBITDA



- Revenue increased 2% from previous quarter and remained at the same level as previous year
 - No FX conversion impact in Q3
 - Light-vehicle build-outs reduced revenue in North America
 - In Europe, the revenue has also been impacted by changes in the product portfolio
- Adjusted EBITDA increased from previous quarter, but decreased from previous year level
 - Losses continued in Brazil, however at a lower level than in Q2
 - Fluctuating utilization rates
 - Reorganisation and program transfers in Europe

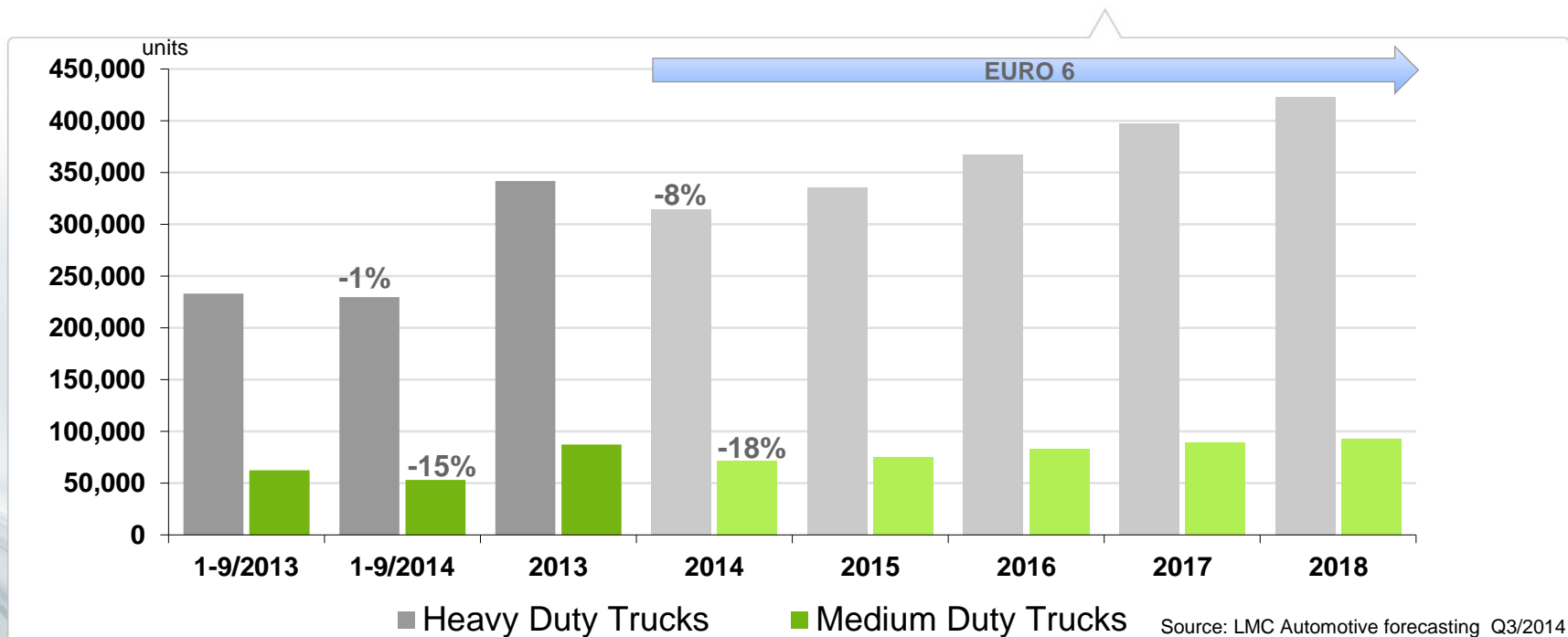
PKC Market Share 1-9/2014



 **PKC**
 **Other**

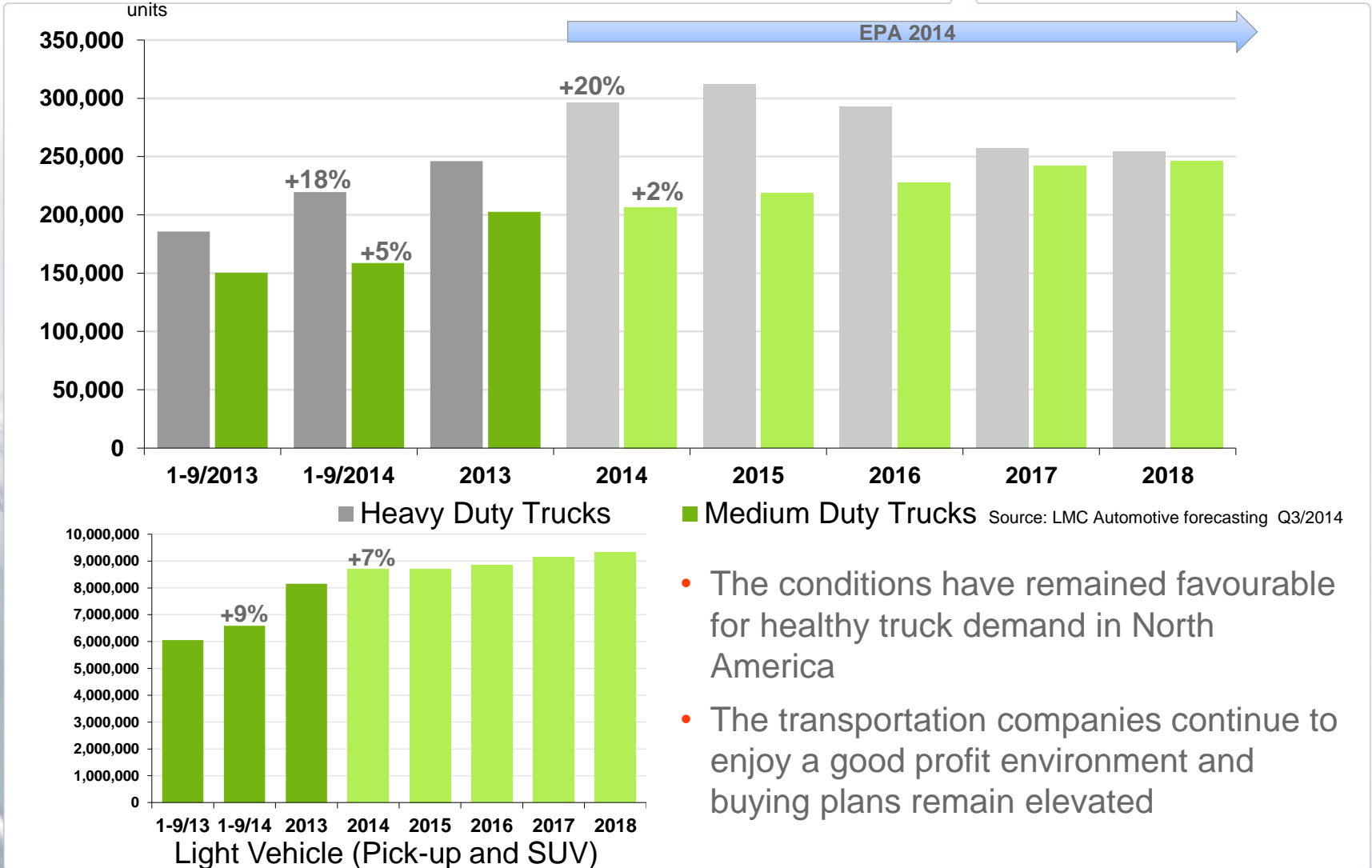
Source: PKC Group, ACT Build History October 2014, LMC Automotive forecasting Q3/2014. Note: Europe comprised of EU27 + Efta

EU27+ EFTA Truck Production



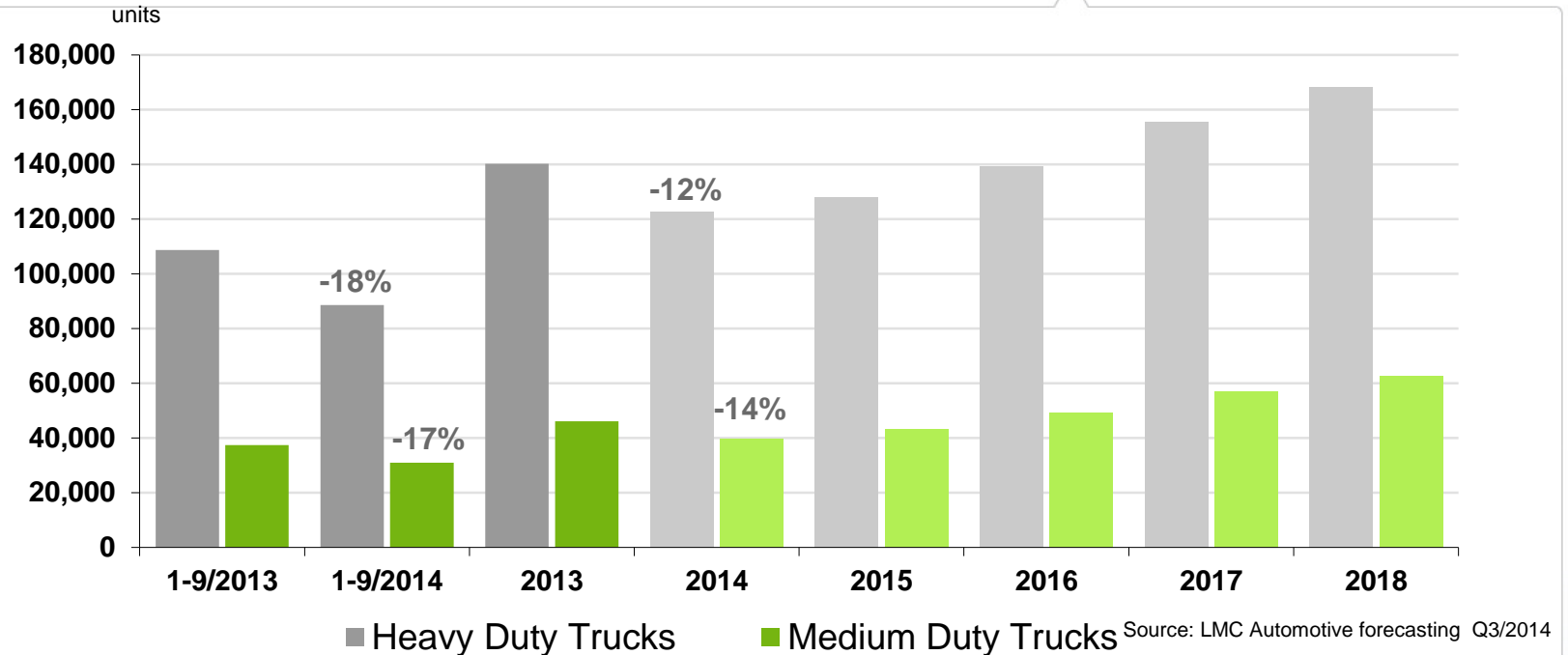
- Transition to Euro 6 emission standard at the beginning of 2014 has kept the demand of trucks below the level of previous year
- The economic environment especially in the southern parts of Europe has suppressed truck demand

North America Production



- The conditions have remained favourable for healthy truck demand in North America
- The transportation companies continue to enjoy a good profit environment and buying plans remain elevated

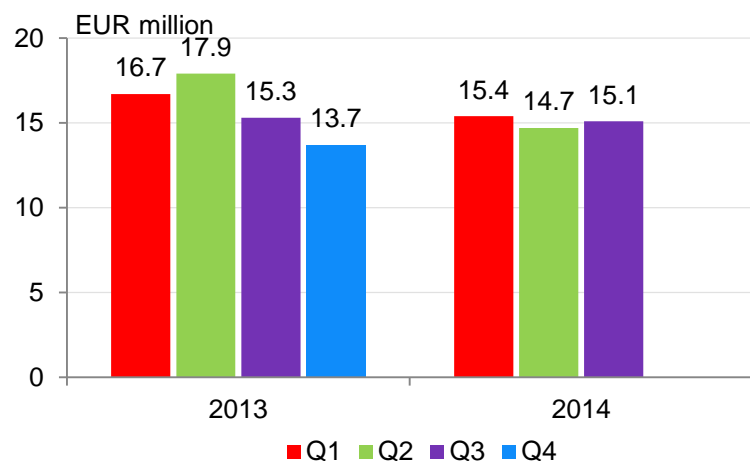
Brazil Truck Production



- In Brazil the current economic situation has had a negative impact on the demand for trucks
- In third quarter there was seasonal growth of truck production in comparison to the second quarter

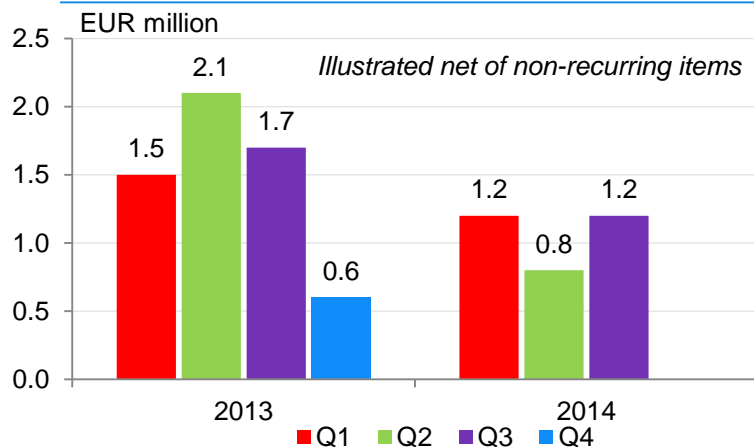
Electronics Segment, Q3/2014

Revenue



- Revenue increased 3% from previous quarter and decreased 1% year-on-year
- Due to seasonalities and different sales mix the profitability was lower than in the comparison period even though the cost structure has improved due to measures implemented during 2013

Adjusted EBITDA



Market Outlook – Full Year 2014

- The market demand for Electronics segment's products is expected to remain at the present level

Market Outlook – Full Year 2014



- European heavy duty truck production is estimated to decrease by 8% and medium duty truck production by 18% compared to 2013.
- North American heavy duty truck production is estimated to increase by 20% and medium duty truck production by 2% compared to 2013.
- Brazilian heavy duty truck production is estimated to decrease by 12% and medium duty truck production by 14% compared to 2013.

PKC Group's Outlook

- PKC Group estimates that 2014 revenue and comparable EBITDA will be lower than in 2013.
- Revenue estimate is based on current business structure. Revenue will be affected by light vehicle build-outs in North America and by changes in exchange rates.
- Comparable EBITDA in 2014 will also be affected by reorganisation and program transfers in Europe and expenditures related to the implementation of PKC's growth strategy.
- In 2013, PKC's revenue was EUR 884.0 million and comparable EBITDA before non-recurring items was EUR 70.3 million

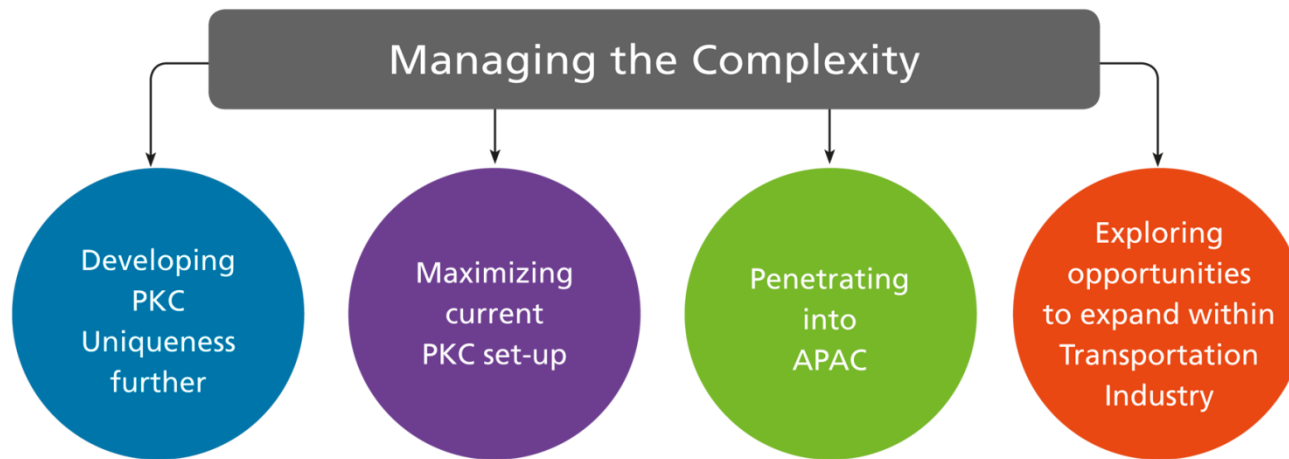


PKC's Strategy Captures Growth Opportunities

VISION 2020

PKC is the Preferred Supplier in Electrical Distribution Systems for Transportation Industry globally.

STRATEGIC INITIATIVES



Developing Electronics business as a stand alone within PKC Group

Long-term Financial Targets

Annual Revenue EUR 1.4 Billion by 2018
EBITDA > 10% Gearing < 75%
Dividends 30–60% of Free Cash Flow



MANAGING THE COMPLEXITY

PKC GROUP 

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