

The NKT logo is positioned in the top right corner of the page. It consists of the letters 'NKT' in a bold, white, sans-serif font. The background of the entire page is a photograph of an offshore oil rig at sea, with a large blue and white vessel in the foreground and another rig in the background. The scene is lit with a mix of natural light and artificial rig lights, creating a dramatic atmosphere. A green grid pattern is overlaid on the image.

NKT

Interim report H1 2024

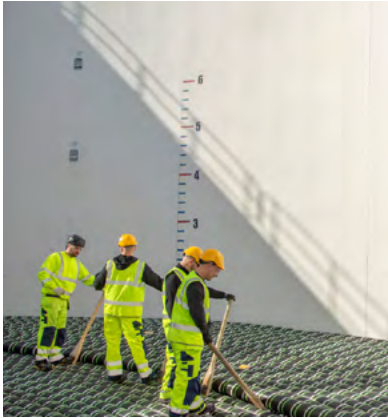
We connect a greener world

Interim Report of NKT A/S for the period 1 January – 30 June 2024

NKT A/S | Vibeholms Allé 20, DK-2605 Brøndby, Denmark | Company Reg. No.: 6272 5214 | nkt.com

Contents

Management review



01

- 03 Key messages H1 2024
- 04 Key highlights Q2 2024
- 05 Financial highlights and ratios
- 06 Financial review
- 08 Sustainability
- 09 Business line – Solutions
- 11 Business line – Applications
- 12 Business line – Service & Accessories
- 13 Shareholder information

Financial statements



02

- 15 Income statement
- 15 Statement of comprehensive income
- 16 Balance sheet
- 17 Cash flow statement
- 18 Statement of changes in equity
- 20 Notes
- 28 Definitions
- 29 Group Management's statement

“In Q2 2024, we continued to execute on our high-voltage order backlog and ongoing investments across business lines, while also delivering continued double-digit growth in revenue and EBITDA. Furthermore, we made strong strategic progress, successfully divesting NKT Photonics and completing the acquisition of Portuguese cable manufacturer, SolidAl. NKT’s position as a pure play cable manufacturer has been strengthened by this acquisition and we remain well positioned to benefit from robust demand across our power transmission and distribution businesses.”

Claes Westerlind

President & CEO, NKT A/S

Key messages H1 2024

NKT continued its positive financial performance, achieving double-digit growth in both revenue* and operational EBITDA for the seventh consecutive quarter. This was driven primarily by further growth in Solutions, as well as record-high quarterly revenue and earnings in Applications. The financial outlook for 2024 that was updated on 11 July 2024 remains unchanged.

Satisfactory execution was broad-based across business lines. Utilisation of expanded capacity in Solutions increased revenue and earnings, as execution of the company's high-voltage order

backlog continued. In Applications, positive developments in the power distribution grid segment led to record-high revenue and EBITDA. In Service and Accessories, increased revenue was the result of higher

service repair activity compared to Q2 2023. This was driven by work related to one legacy service agreement, which was executed at an unusually low profitability margin,

leading to a slight decrease in operational EBITDA.

At end-Q2 2024, NKT's high-voltage order backlog was EUR 11.3bn. During the quarter, NKT supplemented its high-voltage order backlog with a number of relatively smaller orders, including variation orders to existing projects.

In April 2024, NKT announced a EUR 100m investment across three sites to support growing demand from customers for medium-voltage power cables. Expansion efforts progressed throughout Q2 2024 in Denmark, Sweden, and Czech Republic.

In May 2024, NKT successfully completed the divestment of NKT Photonics to Hamamatsu Photonics K.K. for a final enterprise value of EUR 254m. This divestment marked the final step on NKT's journey of becoming a focused power cable solutions company, where market leading positions across voltage

levels have been strengthened in recent years.

In June 2024, NKT acquired Portuguese power cable manufacturer, SolidAI, for a final enterprise value of EUR 192m. The acquisition immediately enhances NKT's ability to serve power transmission and distribution operators with end-to-end grid solutions; while also providing an attractive platform for future growth.

As part of the acquisition, NKT will invest an additional EUR 50m to expand medium- and high-voltage capacity at the existing SolidAI site, which is expected to be operational in 2027. The acquisition and subsequent investment are expected to support NKT's medium-term financial ambitions, including delivering RoCE above 20%.

Free cash flow amounted to EUR 398m in Q2 2024, driven by a higher quarterly earnings contribution, as well as a favourable development in

working capital due to the receipt of milestone payments in Solutions. This was partially offset by an elevated capex level associated with previously announced investments across the business, as well as the acquisition of SolidAI. Excluding acquisitions and divestments, free cash flow in Q2 2024 was EUR 542m.

Progress of NKT's approximately EUR 1bn investment program in continued throughout Q2 2024. Foundation work in Karlskrona advanced according to plan, which enabled the successful start of tower construction at the end of July 2024. Executing on the investment program continues to have highest priority including managing risks and opportunities that have and will arise continuously.

The outlook for 2024, which was updated on 11 July 2024, remains unchanged.

Amounts in EURm	NKT			
	Q2 2024	Q2 2023	1st half 2024	1st half 2023
Revenue	802	631	1,506	1,221
Revenue at std. metal prices** 3	605	468	1,139	890
Organic growth** 4	29%	26%	28%	30%
Operational EBITDA** 6	86	58	161	115
Operational EBITDA margin* **	14.2%	12.4%	14.1%	12.9%
EBIT	61	36	114	71
Net result – continuing operations	75	35	123	65
Free cash flow ¹⁶ – continuing operations	398	282	382	184
Working capital** 10 – continuing operations	-1,152	-537	-1,152	-537
RoCE ¹⁴ – continuing operations	30%	11%	30%	11%

* Std. metal prices

** Alternative performance measures

³⁻¹⁶ Refer to Definitions on page 28

Key highlights Q2 2024

Revenue
(std. metal prices) EUR

605m

EUR 468m in Q2 2023

Up from EUR 468m in Q2 2023, driven by positive contributions from all three business lines

Organic growth

29%

26% in Q2 2023

Reflecting organic growth of 33% in Solutions, 3% in Applications and 19% in Service & Accessories

Operational EBITDA
EUR

86m

EUR 58m in Q2 2023

Up from EUR 58m in Q2 2023. The record-high level was driven primarily by additional capacity in Solutions and further growth in Applications

High-voltage order backlog
EUR

11.3bn

EUR 7.6bn in Q2 2023

Compared to EUR 11.5bn at end-Q1 2024 as execution of the record-high backlog continued in Q2 2024. Two capacity reservation agreements from SSEN Transmission and three projects under a framework agreement with TenneT are not included in the order backlog. They have a combined value estimated above EUR 2.5bn

Financial outlook for 2024

The financial outlook was updated in Company announcement No. 20 of 11 July 2024.

Revenue (std. metal prices) is expected to be approximately EUR 2.33-2.43bn (previously EUR 2.21-2.36bn) and operational EBITDA is expected to be approximately EUR 310-345m (previously EUR 285-335m).

The financial outlook is based on several assumptions, including:

- Satisfactory execution and development of high-voltage investments and projects without major disruptions
- Stable market conditions in Applications
- Satisfactory offshore power cable repair work activity
- Stable development of the global economy
- Stable supply chain with limited disruptions and access to the required labour, materials, and services
- Stable development in foreign currency and metal prices

Financial highlights and ratios

Amounts in EURm	Q2 2024	Q2 2023	1st half 2024	1st half 2023	Year 2023
Income statement					
Revenue	802	631	1,506	1,221	2,567
Revenue at std. metal prices* ³	605	468	1,139	890	1,927
Operational EBITDA* ⁶	86	58	161	115	255
One-off items* ⁵	-1	0	-1	0	0
EBITDA	85	58	160	115	255
Amortization, depreciation, and impairment	-24	-22	-46	-44	-90
EBIT	61	36	114	71	165
Financial items, net	16	12	24	16	-16
Earnings before tax (EBT)	77	48	138	87	149
Net result - continuing operations	75	35	123	65	119
Net result - discontinued operations	104	3	101	1	5
Net result	179	38	224	66	124
Cash flow					
Cash flow from operating activities	642	321	690	254	542
Cash flow from investing activities	-244	-39	-308	-70	-247
<i>hereof investments in Property, plant, and equipment</i>	-95	-22	-153	-45	-205
Free cash flow ¹⁵	398	282	382	184	295
Balance sheet					
Share capital	144	115	144	115	144
Group equity	1,829	1,099	1,829	1,099	1,575
Total assets	4,597	3,066	4,597	3,066	3,604
Net interest-bearing debt (NIBD)* ⁸	-1,277	-222	-1,277	-222	-671
Capital employed* ⁹	552	877	552	877	904
Working capital* ¹⁰	-1,152	-537	-1,152	-537	-709

Amounts in EURm	Q2 2024	Q2 2023	1st half 2024	1st half 2023	Year 2023
Financial ratios and employees					
Operational EBITDA margin, (std. metal prices)*	14.2%	12.4%	14.1%	12.9%	13.2%
Gearing (NIBD as % of Group equity)* ¹¹	-70%	-20%	-70%	-20%	-43%
NIBD relative to operational EBITDA* ¹²	-4.2x	-1.2x	-4.2x	-1.2x	-2.6x
Solvency ratio (equity as % of total assets)* ¹³	40%	36%	40%	36%	44%
Return on capital employed (RoCE)* ¹⁴	30%	11%	30%	11%	20%
Number of DKK 20 shares ('000)*	53,720	42,976	53,720	42,976	53,720
EPS, continuing operations ¹	1.3	0.8	2.2	1.4	2.2
Diluted EPS, continuing operations ²	1.3	0.8	2.2	1.4	2.1
Equity value, EUR per outstanding share* ¹⁵	31	22	31	22	26
Market price, DKK per share*	609	414	609	414	464
Average number of employees, continuing operations	5,108	4,390	5,043	4,340	4,473

¹⁻¹⁶ Refer to Definitions on page 28

* Alternative performance measures

Financial review

Driven by contributions from all business lines, NKT achieved organic revenue* growth of 29% in Q2 2024. This led to the highest quarterly operational EBITDA in company history. Free cash flow generation was EUR 398m in Q2 2024, reflecting a higher quarterly earnings contribution, as well as a favourable development in working capital. Capital expenditures are expected to remain at an elevated level and a conservative capital structure must be maintained going forward as NKT continues to progress on its growth journey.

Revenue growth across business lines

Revenue* increased by EUR 137m in Q2 2024 compared to Q2 2023, corresponding to 29% organic growth. Previous investments in capacity and capabilities within Solutions and satisfactory execution drove the majority of growth. Supported by positive developments in the power grid distribution segment and stable revenue in the construction-exposed segment, Applications delivered record-high revenue in Q2 2024. In Service & Accessories, high organic growth was driven by increased service repair activity compared to Q2 2023.

Expressed in market prices, revenue in Q2 2024 was EUR 802m, compared to EUR 631m in Q2 2023.

Revenue* in the first half of 2024 amounted to EUR 1,139m, an increase of EUR 249m compared to EUR 890m in the first half of 2023. Organic growth in the first half of 2024 was 28%. Compared to the first half of 2023, growth was driven by contributions from all business lines.

Record quarterly operational EBITDA

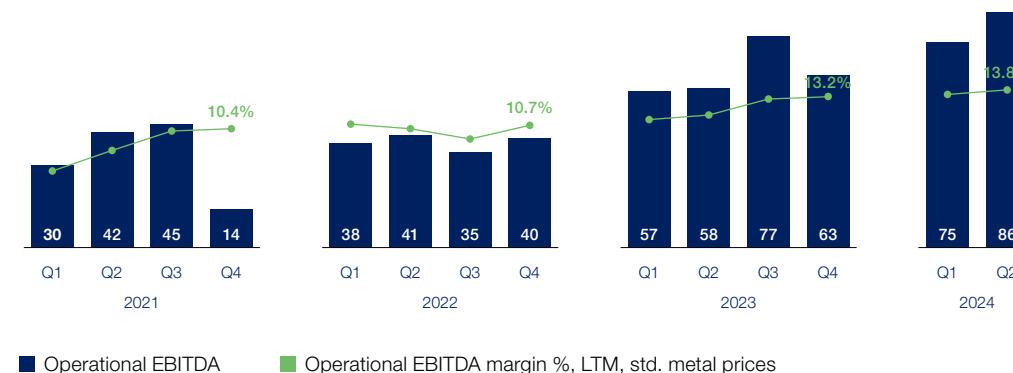
Driven by higher revenue, operational EBITDA increased EUR 28m

from EUR 58m in Q2 2023 to EUR 86m in Q2 2024. Increased profitability was partially offset by a higher cost base, as NKT continued to expand across business lines throughout Q2 2024. The operational EBITDA margin* was 14.2% in Q2 2024, an increase of 1.8%-points from Q2 2023.

The higher earnings level and improved company profitability was primarily driven by previous investments in capacity and capabilities within Solutions. Applications also contributed with record-high quarterly operational EBITDA of EUR 21m, equivalent to a margin*

Operational EBITDA

Amounts in EURm



of 11.8%. As a result of improved earnings in Solutions and Applications, operational EBITDA in the first half of 2024 increased to EUR 161m from EUR 115m in same period of 2023.

In Q2 2024, NKT recorded one-off items of EUR 1m which reflect transaction costs associated with the acquisition of SolidAI that was completed in June 2024. As a result, EBIT in Q2 2024 was EUR 61m, up from EUR 36m in Q2 2023. The higher EBIT was primarily driven by the same parameters as operational EBITDA, which more than offset an increase in depreciation and amortisation compared to Q2 2023.

Financial items and net result

Net financial items in Q2 2024 amounted to EUR 16m, compared to EUR 12m in Q2 2023. Interest income and hedging gains due to the appreciation of the SEK both had a positive impact in Q2 2024. Earnings before tax amounted to EUR 77m in Q2 2024, compared to EUR 48m in Q2 2023. Tax amounted to EUR -2m for Q2 2024, resulting in an effective tax rate of 3%. The tax rate decreased primarily due to legislation enacted in Germany in Q1 2024. The net result from continuing operations was 75m in Q2 2024, against EUR 35m in Q2 2023.

Revenue development and organic growth

Amounts in EURm

Q2 2023 revenue*	468
Currency effect	1
Organic growth	136
Q2 2024 revenue*	605
Organic growth, %	29%

* Std. metal prices

The divestment of NKT Photonics in Q2 2024 led to a net result from discontinuing operations of EUR 104m, which increased the net result to EUR 179m.

Positive free cash flow generation driven by Solutions

Cash flow from operating activities** was EUR 642m in Q2 2024, compared to EUR 321m in Q2 2023. This was driven by a EUR 27m increase in EBITDA compared to Q2 2023, as well as a EUR 585m change in working capital, largely due to the timing of milestone payments in Solutions.

At end-Q2 2024, working capital amounted to EUR -1,152m, a decrease of EUR 485m from EUR -667m at the end of the previous quarter. This was largely due to a favourable development in Solutions, partially offset by an increase in Applications driven by the acquisition of SolidAI. In Q2 2024, unrealised value adjustments of hedging instruments reduced NKT's working capital by EUR 54m, mainly due to fluctuations in commodity prices. This did not have a cash impact.

Cash flow from investing activities** amounted to EUR -244m in Q2 2024, compared to EUR -39m in

the same period of last year. Investments in Solutions and Applications were higher than in Q1 2024 and will remain at an elevated level going forward. Furthermore, NKT recorded a net cash outflow of EUR 144m associated with the acquisition of SolidAI.

As a result, free cash flow** in Q2 2024 was 398m, compared to EUR 282m in Q2 2023. Driven by the divestment of NKT Photonics, cash flow from discontinued operations was EUR 248m, which increased net cash flow to EUR 641m in Q2 2024.

Further increase in RoCE

RoCE** was 30% at end-Q2 2024, compared to 22% at end-Q1 2024. This was driven by continued growth in EBIT, as well as lower net interest-bearing debt, where proceeds from NKT Photonics offset the acquisition of SolidAI. RoCE has continued to gradually improve, reflecting a progressively higher earnings contribution and increased customer prepayments in recent years. RoCE will continue to vary depending on the project mix in production, the timing of payments from customers, and a higher capital base from ongoing investments.

Liquidity, debt, leverage, and equity

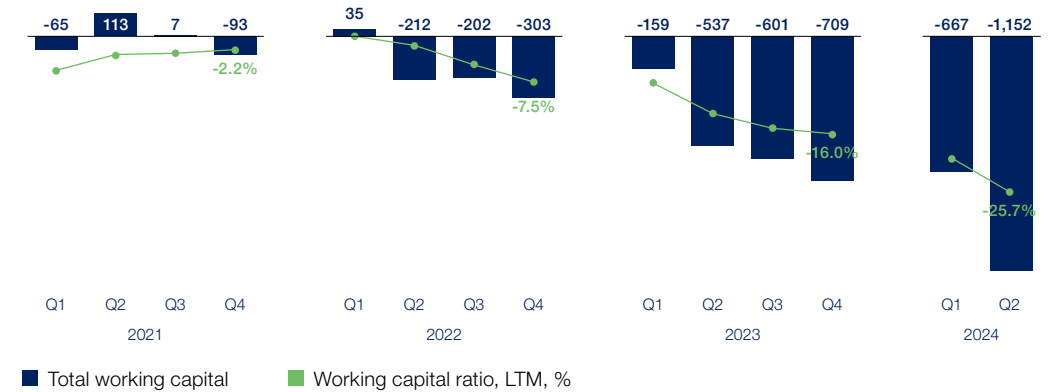
Positive free cash flow generation and proceeds from the divestment of NKT Photonics led to a significant decrease in net interest-bearing debt from EUR -642m at end-Q1 2024 to EUR -1,277m at end-Q2 2024. This was partially offset by the acquisition of SolidAI for EUR 144m. Net interest-bearing debt relative to operational EBITDA amounted to -4.2x at end-Q2 2024, compared to -2.4x at end-Q1 2024.

At the end of Q2 2024, NKT had total available liquidity reserves of EUR 1,704m, comprising cash of EUR 1,504m and undrawn credit facilities of EUR 200m. NKT's favourable cash position will gradually be deployed as announced investments exceeding EUR 1.2bn continue to progress through varying stages of execution. A position of financial strength must be maintained as NKT continues to progress on its growth journey.

Group equity, including the green hybrid security issued in September 2022, amounted to EUR 1,829m. The company's solvency ratio was 40%, compared to 43% at end-Q1 2024.

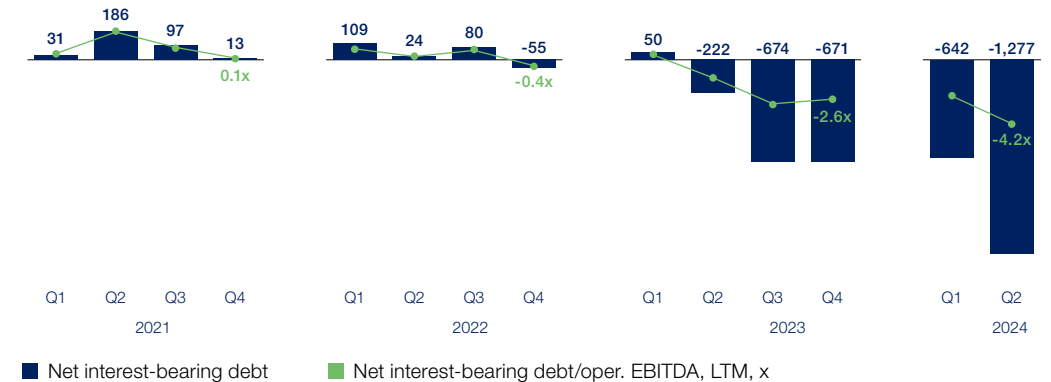
Working capital

Amounts in EURm



Net interest-bearing debt

Amounts in EURm



** from continuing operations

Sustainability

In Q2 2024, NKT executed on its sustainability strategy as one of the three pillars of the corporate strategy, ReNew BOOST.

Environment

Throughout Q2 2024, NKT progressed on its commitment to sustainability. This included a continued focus on lifecycle footprint reduction, as well as efforts to highlight the positive impacts that NKT's power cables have on society. As a leading power cable provider, NKT continues to play a crucial role in enabling the transmission of renewable energy and thereby the ongoing electrification of society.

During Q2 2024, NKT was awarded a large onshore order to supply 1300 kilometres of medium-voltage power cables to the Polish utility, Tauron, supporting the ongoing upgrade of Poland's power grid. Power generated from renewable energy is set to contribute an increasing share of Poland's

domestic energy supply, with ambitions of more than 30% by 2030. This requires significant upgrades to the nation's power grid, which NKT will support for years to come.

In Q2 2024, NKT submitted its application to the Science Based Targets initiative, committing to achieving net-zero targets by 2050. Validation of these targets is expected in the second half of 2024.

Several initiatives are being implemented to support this ambition including the construction of NKT's second cable-laying vessel, NKT Eleonora, which has been designed to run on methanol. All customers will have the option to use low-carbon fuel throughout cable installation, thereby reducing the emissions of their operations.

Social

NKT further enhanced its focus on fostering a diverse and inclusive culture in Q2 2024. This included various initiatives such as:

- Hosted a global conference for emerging female leaders to improve diversity
- Conducted a referral campaign with a focus on attracting more female talent to NKT
- Launched two new employee resource groups to nurture diversity and inclusion

NKT has launched its updated safety strategy, SafeStart, with a target of reducing its Total Recordable Injury Rate below 0.6 by 2028.

In Q2 2024, NKT continued to implement and drive SafeStart to develop a much-improved safety culture across the organisation. The SafeStart program will be gradually implemented throughout 2024 and 2025 with an initial focus on high risk occupations, before being expanded across the broader organisation in 2025 and beyond. The successful implementation of SafeStart will serve as the foundation for a strengthened safety culture across NKT going forward.

Sustainability strategy

Sustainability is an integrated part of the corporate strategy ReNew BOOST and is one of the three main strategic pillars.

Climate action

Be a leader in driving the green transformation of the power cable industry by reducing corporate emissions, with the ambition of becoming a net-zero company by 2050.

Sustainable value proposition and circularity

Offer a sustainable value proposition through the lifecycle of products and solutions, and actively pursue zero waste through circularity.

Social

Be a fair, inclusive, attractive, and safe workplace empowering trust, personal growth, and engagement.

Responsible business

Conduct business operations as a trusted partner and employer. Sustainability impact, risks, and opportunities are integrated into business processes and the overall business.

[Sustainability Report 2023](#) →

Business line

Solutions

 Highlights

- Continued growth in revenue and operational EBITDA
- Satisfactory execution of high-voltage order backlog and investments during Q2 2024
- Continued high market activity through Q2 2024

379m

Revenue*, EUR
(Q2 2023: EUR 285m)

33%

Organic growth
(Q2 2023: 51%)

67m

Operational EBITDA, EUR
(Q2 2023: EUR 42m)

Organic growth of 33%

Revenue* for Solutions increased from EUR 285m in Q2 2023 to EUR 379m in Q2 2024, corresponding to organic growth of 33%. This was driven by overall satisfactory projects execution in Q2 2024 covering several power cable solutions, as well as previous investments made to increase capacity and organisational capabilities.

NKT continued to progress several projects through varying stages of execution in Q2 2024. These projects included Baltic Power, Borwin 5, Champlain Hudson Power Express, Dogger Bank C, Draugen, East Anglia 3, Hornsea 3, SuedLink, and SuedOstLink.

Revenue generated from installation activities was at an acceptable level and the company's cable-laying

vessel, NKT Victoria, was well-utilised throughout Q2 2024.

Revenue measured in market prices amounted to EUR 429m in Q2 2024, against EUR 328m in Q2 2023.

Revenue* in the first half of 2024 amounted to EUR 700m, an increase of EUR 200m compared to the first half of 2023. Organic growth in the first half of 2024 was 40%. This was driven by the same parameters as in Q2 2024.

Continued growth in operational EBITDA

Higher revenue resulted in an operational EBITDA in Q2 2024 of EUR 67m, an increase of EUR 25m from Q2 2023. This corresponded to an operational EBITDA margin* of 17.7% in Q2 2024, 3.0 percentage points higher than Q2 2023.

Overall project execution was satisfactory and NKT remains focused on managing risks associated with a growing high-voltage project portfolio. Quarterly profitability margins will continue to vary depending on the phasing of projects in execution.

In Q2 2024, NKT announced the technical specifications of its second cable-laying vessel, which is currently under construction and is set for delivery in 2027. Equipped with three turntables – equivalent to a cable-laying capacity of 23,000 tonnes – the vessel which will be named NKT Eleonora, will increase the company's installation capabilities to serve a structurally larger high-voltage order backlog. Designed to run on methanol, NKT Eleonora will be a market-leading vessel, equipped with a large range of subsea tooling for precise

installation and service of offshore cables.

In July 2024, NKT completed an upgrade of NKT Victoria, further increasing the company's offshore installation capacity and capabilities. Load capacity has been increased to 11,000 tonnes from 9,000 tonnes, installation capabilities have been added, and the vessel has been certified to run on biofuel.

Further progress of high-voltage investments

In Q1 2024, NKT announced an investment of EUR 100m to expand high-voltage production capacity and capabilities at its existing factory in Cologne. Progress of this investment continued according to plan throughout Q2 2024 with procurement activities ongoing.

* Std. metal prices

Business line

Solutions

Progress of NKT's approximately EUR 1bn investment program continued throughout Q2 2024. Foundation work in Karlskrona advanced according to plan, which enabled the successful start of tower construction at the end of July 2024. Executing on the investment program continues to have highest priority including managing risks and opportunities that have and will arise continuously.

High-voltage order backlog at a continued high level

At end-Q2 2024, the high-voltage order backlog was EUR 11.3bn (EUR 9.9bn in std. metal prices) compared to EUR 11.5bn (EUR 10.1bn in std. metal prices) at end-Q1 2024. NKT's backlog position does not include three projects awarded under a framework agree-

ment from TenneT, as well as two capacity reservation agreements from SSEN Transmission. Combined, these have an estimated value exceeding EUR 2.5bn.

During the quarter, NKT supplemented its high-voltage order backlog with a number of relatively smaller orders, including variation orders to existing projects.

The composition of the order backlog divided per customer type was more than 80% with large European Transmission System Operators, and the balance with other types of customers. Divided by application, the backlog was split around 55% interconnectors, around 40% offshore wind projects, and less than 5% power-from-shore projects.

Continued high market activity through Q2 2024

Strong market activity continued in Q2 2024. NKT estimates that over EUR 13bn in projects were awarded in its addressable high-voltage power cable market in the first half of 2024. Continued strong demand for high-voltage production and installation capacity was mainly for DC technology, where NKT is well-positioned as a market leader.

This favourable market development is a continuation of the record-high level of projects awarded in 2023.

NKT anticipates that its average addressable high-voltage market will be above EUR 10bn per year in the period between 2024 and 2030. The timing of actual project awards will continue to depend on various project-specific factors that can

Recent notable high-voltage project awards for NKT

Project name	Customer type	Announced	Size (EURm)	Type
Korridor-B V48 + Rheinquering (GER)	TSO	Mar 2024	~1,200	Interconnector
50Hertz HVDC projects (GER)	TSO	Sep 2023	~3,500	Interconnector / offshore wind
Baltic Power (POL)	Developer	Jun 2023	>120	Offshore wind
East Anglia 3 (UK)	Developer	Jun 2023	>250	Offshore wind
Biscay Gulf Interconnector (FR/SPA)	TSO	May 2023	>600	Interconnector

Note: Project sizes are shown in market prices

impact an individual year in terms of actual order intake.

In Q2 2024, progress continued on several project tenders across market segments and activities. The timing of actual project awards will depend on the timelines for the individual projects. With a record-

high order backlog, NKT remains focused on securing selected projects that will enable optimal production and installation mix, thereby maximising earnings.

Business line

Applications

 Highlights

- Record-high revenue and operational EBITDA, quarterly margin of 11.8%
- Acquisition of SolidAI to address growing power grid demand
- Continued positive developments in power grid distribution segment

SolidAI acquisition highlights

Transaction highlights

Enterprise value	EUR 192m
EV / 2023 EBITDA	~9.4x
EV / 2023 EBITDA including synergies	~7.0x

Selected financials (2023)	EURm
Revenue (market prices)	~150
Revenue (std. metal prices)	~120-125
EBITDA	~20

175m

Revenue*, EUR
(Q2 2023: EUR 170m)

Record-high quarterly revenue

In Q2 2024, revenue* increased to EUR 175m, a quarterly record for Applications. This corresponded to organic growth of 3% compared to Q2 2023, where price adjustments implemented to offset inflationary pressure led to a high comparison period. Positive developments in the power distribution grid segment – including higher volumes and stable prices – were responsible for the majority of growth. In the construction-exposed segment, revenue was maintained at a stable level compared to Q2 2023.

Revenue expressed in market prices amounted to EUR 322m in Q2 2024, up from EUR 291m in Q2 2023. Revenue* in the first half of 2024 amounted to EUR 328m – on par with the first half of 2023. This was driven by similar parameters as Q2 2024.

* Std. metal prices

3%

Organic growth
(Q2 2023: 15%)

Operational EBITDA margin of 11.8%

Higher revenue, as well as positive effects from the specialisation of production sites and various efficiency initiatives implemented in recent years, led to an increase in operational EBITDA of EUR 4m compared to Q2 2023. As a result, the operational EBITDA margin increased to 11.8% in Q2 2024, versus 10.0% in Q2 2023. Supported by strong demand in the power grid distribution segment, NKT is well-positioned to maintain satisfactory margins in Applications.

Acquisition of SolidAI to address growing demand

On 21 June 2024, NKT acquired Portuguese power cable manufacturer, SolidAI, adding a modern factory in Northern Portugal, manufacturing capabilities from 1kV up

21m

Operational EBITDA, EUR
(Q2 2023: EUR 17m)

to 225kV, and a highly skilled workforce of 430 people. The acquisition immediately enhances NKT's ability to serve power transmission and distribution operators with end-to-end grid solutions; while also providing an attractive platform for future growth. As part of the acquisition, NKT will invest EUR 50m to expand medium- and high-voltage capacity at the existing SolidAI site. The financial performance of SolidAI will be included in NKT's Applications business line going forward. SolidAI did not have a material impact on Q2 2024 revenue and EBITDA.

In Q2 2024, NKT announced an approximately EUR 100m investment to expand medium-voltage capacity and capabilities in Asnaes, Denmark; Falun, Sweden; and Velke Meziříčci, Czech Republic. Work

across all three production sites progressed throughout Q2 2024 and additional capacity is expected to be operational in 2025 and 2026.

Positive development in medium-voltage market

In Q2 2024, market developments continued to differ between segments within Applications. Demand for medium-voltage power cables – particularly in Northern and Central Europe – remained robust, leading to continued revenue growth in Q2 2024. In NKT's construction-exposed segment, demand remained subdued and revenue was maintained at a comparable level versus Q2 2023.

Business line

Service & Accessories

Highlights

- Revenue growth driven by continued high level of service repair activity
- Earnings decrease of EUR 1m due to legacy service agreement and increased employee headcount
- Despite lower earnings, execution maintained at a satisfactory level

64m

Revenue*, EUR
(Q2 2023: EUR 52m)

Higher revenue due to increase in service repair activity

Revenue* for Service & Accessories increased to EUR 64m from EUR 52m in Q2 2023, corresponding to organic growth of 19%. This was driven by an increase in activity in the service business, where the volume of repair work in the offshore segment increased compared to Q2 2023. This was partially offset by slightly lower revenue in the Accessories business.

Revenue in the first half of 2024 amounted to EUR 138m up from EUR 100m in same period of 2023, equivalent to organic growth of 41%. This was driven by the same parameters as in Q2 2024.

Slight decrease in operational EBITDA

Despite higher revenue, Service & Accessories reported operational

19%

Organic growth
(Q2 2023: 7%)

EBITDA of EUR 5m in Q2 2024, a EUR 1m decrease compared to Q2 2023. As a result, the operational EBITDA margin* decreased to an unsatisfactory level of 7.1% in Q2 2024, compared to 11.0% in Q2 2023.

In Q2 2024, a high level of offshore repair activity continued to be driven primarily by work related to one legacy service agreement, which was executed at an unusually low profitability margin. Work related to this service agreement was concluded during Q2 2024 and no additional scope has been identified.

Throughout Q2 2024, profitability was also negatively impacted by an increased cost base, reflecting a higher employee headcount that will be crucial for the future execution of projects and production orders.

5m

Operational EBITDA, EUR
(Q2 2023: EUR 6m)

Satisfactory execution in Service

In addition to high activity within the offshore repair segment, other segments continued to perform positively throughout Q2 2024. Within its recurring onshore business, NKT successfully executed projects related to the ongoing electrification of society, including solar parks. Geographical expansion remains a key strategic growth priority within service, where NKT continued to grow in the UK, US, Poland, and Australia.

The attraction and retention of skilled employees continues to be a key prerequisite for growth. In recent years, NKT has successfully expanded its training centre footprint in Germany and Sweden to meet a structurally higher need for talent.

Stable earnings in the Accessories business

In Q2 2024, a slight decrease in revenue in Accessories was due to a lower medium-voltage accessories sales compared to Q2 2023, which was a high comparison period. Despite lower revenue, operational EBITDA remained at a comparable level, reflecting the continued ramp-up of HVDC accessories production.

Similar to other business lines, structural growth trends continue to positively impact NKT's Accessories business. To meet increasing demand, NKT is expanding accessories capacity in Alingsås, Sweden. The expansion is on track and NKT expects its new test hall will be completed in the first half of 2025.

* Std. metal prices

Shareholder information

NKT shares

The average daily turnover in NKT A/S shares on all trading markets was EUR 32m in Q2 2024, up from EUR 24m in Q2 2023. The average daily trading volume was around 406,000 shares in Q2 2024, compared to around 460,000 in Q2 2023. Nasdaq Copenhagen was the main trading market for the company's shares with 42% of the total traded volume in Q2 2024.

At end-Q2 2024, the NKT A/S share price was DKK 609, compared to DKK 464 at end-2023. This equalled a share price return of 31%. The corresponding dividend-adjusted share price returns in the same period for the company's largest European competitors, Prysmian and Nexans, were 42% and 33% respectively. The Danish OMXC25 Index, adjusted for dividends, increased by 7% in the first half of 2024.

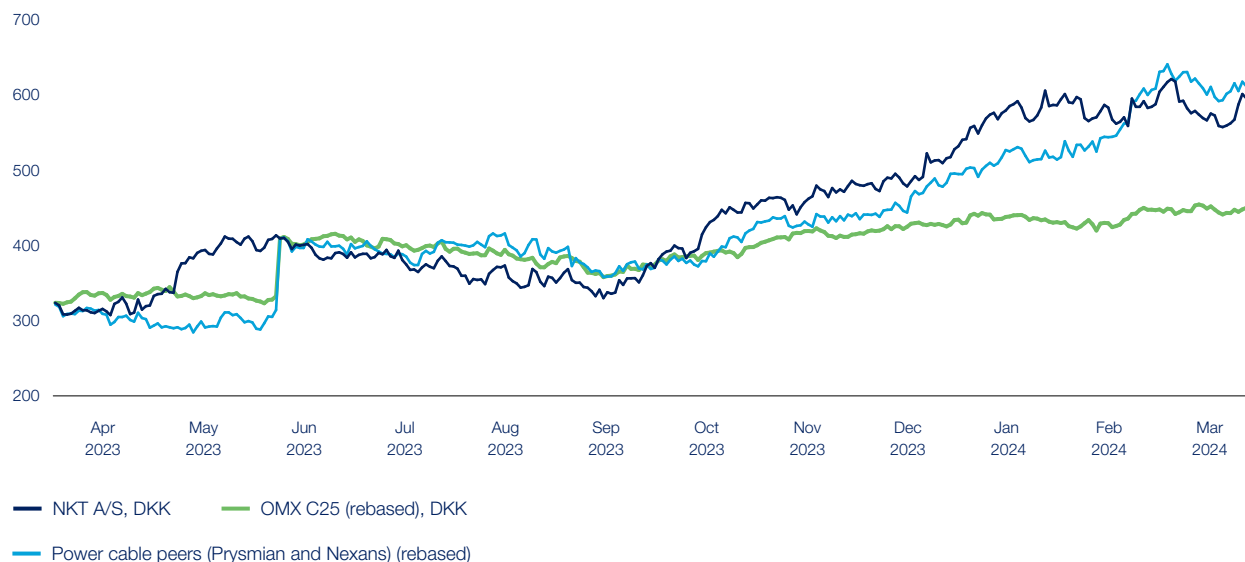
At end-Q2 2024, three NKT A/S investors had reported shareholdings of between 5.00–9.99%:

- ATP (Denmark)
- BlackRock, Inc. (US)
- Morgan Stanley (US)

The total share capital consists of 53,720,045 shares, each with a nominal value of DKK 20, corresponding to a total nominal share capital of DKK 1,074,400,900 (approx. EUR 144m).

More shareholder information is available at investors.nkt.com

NKT A/S share price development



NKT A/S shares – basic data

ID code: DK0010287663

Listing: Nasdaq Copenhagen, part of the OMX C25 Index

Share capital: EUR 144m (DKK 1,074m)

Number of shares: 53.7 million

Nominal value: DKK 20

Share classes: 1



Financial calendar 2024

14 Nov: Interim Report, Q3 2024

Consolidated financial statements

15	Income statement
15	Statement of comprehensive income
16	Balance sheet
17	Cash flow statement
18	Statement of changes in equity
20	Notes
28	Definitions

Condensed income statement

Amounts in EURm	Q2 2024	Q2 2023	1st half 2024	1st half 2023	Year 2023
Revenue	802	631	1,506	1,221	2,567
Costs of raw materials, consumables, and goods for resale	-543	-422	-1,016	-820	-1,747
Staff costs	-104	-91	-194	-170	-308
Other costs	-72	-61	-139	-119	-261
Other operating income	2	1	3	3	4
Earnings before interest, tax, depreciation, and amortisation (EBITDA)	85	58	160	115	255
Depreciation and impairment of property, plant, and equipment	-19	-17	-37	-34	-71
Amortisation and impairment of intangible assets	-5	-5	-9	-10	-19
Earnings before interest and tax (EBIT)	61	36	114	71	165
Financial items, net	16	12	24	16	-16
Earnings before tax (EBT)	77	48	138	87	149
Tax	-2	-13	-15	-22	-30
Net result - continuing operations	75	35	123	65	119
Net result - discontinued operations	104	3	101	1	5
Net result	179	38	224	66	124
<i>To be distributed as follows:</i>					
Equity holders of NKT A/S	176	35	218	60	113
Hybrid capital holders of NKT A/S	3	3	6	6	11
Net result	179	38	224	66	124
Basic earnings - continuing operations, EUR, per share (EPS)	1.3	0.8	2.2	1.4	2.2
Diluted earnings - continuing operations, EUR, per share (EPS-D)	1.3	0.8	2.2	1.4	2.1
Basic earnings, EUR, per share (EPS)	3.3	0.8	4.1	1.4	2.3
Diluted earnings, EUR, per share (EPS-D)	3.3	0.8	4.1	1.4	2.3

Condensed statement of comprehensive income

Amounts in EURm	Q2 2024	Q2 2023	1st half 2024	1st half 2023	Year 2023
Net result	179	38	224	66	124
Other comprehensive income					
<i>Items that may be reclassified to income statement:</i>					
Foreign exchange adjustment, foreign companies	10	-26	-15	-35	7
Reclassification to profit or loss on disposal of NKT Photonics	-1		-1		
Value adjustment of hedging instruments	89	-112	111	-86	93
Tax on other comprehensive income	-26	45	-30	37	-15
<i>Items that may be not reclassified to income statement:</i>					
Actuarial gains/(losses) on defined benefit pension plans, net of tax	0	0	0	0	1
Total other comprehensive income for the period	72	-93	65	-84	86
Comprehensive income for the period	251	-55	289	-18	210
<i>To be distributed as follows:</i>					
Equity holders of NKT A/S	248	-58	283	-24	199
Hybrid capital holders of NKT A/S	3	3	6	6	11
Comprehensive income for the period	251	-55	289	-18	210

Condensed balance sheet

Amounts in EURm	30 June 2024	30 June 2023	31 Dec 2023
Assets			
Intangible assets	642	509	544
Property, plant, and equipment	1,171	836	1,014
Investment in associated companies	9	9	9
Other investments and receivables	4	0	1
Deferred tax	9	20	13
Total non-current assets	1,835	1,374	1,581
Inventories	405	296	311
Trade and other receivables	469	385	340
Derivative financial instruments	242	305	185
Contract assets	125	122	107
Income tax receivable	17	3	15
Cash and cash equivalents	1,504	413	888
Assets held for sale	0	168	177
Total current assets	2,762	1,692	2,023
Total assets	4,597	3,066	3,604

Amounts in EURm	30 June 2024	30 June 2023	31 Dec 2023
Equity and liabilities			
Equity attributable to equity holders of NKT A/S	1,668	940	1,420
Hybrid capital	161	159	155
Total equity	1,829	1,099	1,575
Deferred tax	43	30	36
Pension liabilities	39	42	40
Provisions	17	12	11
Interest-bearing loans and borrowings	203	172	196
Total non-current liabilities	302	256	283
Interest-bearing loans and borrowings	24	10	11
Trade payables	477	388	364
Other liabilities	232	142	145
Derivative financial instruments	106	215	94
Contract liabilities	1,577	865	1,037
Income tax payable	18	38	27
Provisions	32	19	30
Liabilities associated with assets held for sale	0	34	38
Total current liabilities	2,466	1,711	1,746
Total liabilities	2,768	1,967	2,029
Total equity and liabilities	4,597	3,066	3,604

Condensed cash flow statement

Amounts in EURm	Q2 2024	Q2 2023	1st half 2024	1st half 2023	Year 2023
Earnings before interest, tax, depreciation, and amortisation (EBITDA)	85	58	160	115	255
Non-cash operating items:					
Change in provisions, gain and loss on sale of assets, etc.	-2	1	5	0	8
Changes in working capital	585	251	543	128	320
Cash flow from operations before financial items, etc.	668	310	708	243	583
Financial items paid/received, net	16	12	24	16	-16
Income tax paid/received, net	-42	-1	-42	-5	-25
Cash flow from operating activities from continuing operations	642	321	690	254	542
Acquisition of associated companies	0	-9	0	-9	-9
Acquisition of subsidiaries	-144	0	-144	0	0
Investments in property, plant, and equipment	-95	-22	-153	-45	-205
Intangible assets and other investments, net	-5	-8	-11	-16	-33
Cash flow from investing activities from continuing operations	-244	-39	-308	-70	-247
Free cash flow from continuing operations	398	282	382	184	295
Changes in loans	-3	-12	-14	-23	-1
Repayment of lease liabilities	-2	-1	-3	-2	-6
Capital increase	0	0	0	0	357
Purchase of treasury shares	0	0	0	-5	-7
Coupon payments on hybrid capital	0	0	0	0	-9
Cash flow from financing activities from continuing operations	-5	-13	-17	-30	334

Amounts in EURm	Q2 2024	Q2 2023	1st half 2024	1st half 2023	Year 2023
Net cash flow from continuing operations	393	269	365	154	629
Net cash flow for the period from discontinued operations	248	1	248	4	-1
Net cash flow	641	270	613	158	628
Cash and cash equivalents at the beginning of the period	861	149	890	262	262
Currency adjustments	2	-3	1	-4	0
Net cash flow for the period	641	270	613	158	628
Cash and cash equivalents at the end of the period	1,504	416	1,504	416	890
Of which associated with discontinued operations	0	3	0	3	2
Cash and cash equivalents at the end of the period from continuing operations	1,504	413	1,504	413	888

The above cannot be derived directly from the income statement and the balance sheet.

Condensed statement of changes in equity

Amounts in EURm	Share capital	Treasury shares	Foreign exchange reserve	Hedging reserve	Retained earnings	Total	Hybrid Capital	Total equity
Equity, 1 January 2024	144	-4	-56	88	1,248	1,420	155	1,575
<i>Other comprehensive income:</i>								
Foreign exchange adjustment, foreign companies			-15			-15		-15
Reclassification to profit or loss on disposal of NKT Photonics			-1			-1		-1
Value adjustment of hedging instruments:								
Value adjustment for the period				99		99		99
Transferred to revenue				12		12		12
Tax on other comprehensive income				-30		-30		-30
Total other comprehensive income	0	0	-16	81	0	65	0	65
Net result					218	218	6	224
Comprehensive income for the period	0	0	-16	81	218	283	6	289
Deferred hedge gains and losses transferred to inventory, net of tax				-36		-36		-36
<i>Transactions with owners:</i>								
Exercise of performance shares		3			-3	0		0
Share-based payment					1	1		1
Total transactions with owners in 1st half 2024		3			-2	1	0	1
Equity, 30 June 2024	144	-1	-72	133	1,464	1,668	161	1,829

Condensed statement of changes in equity

Amounts in EURm	Share capital	Treasury shares	Foreign exchange reserve	Hedging reserve	Retained earnings	Total	Hybrid Capital	Total equity
Equity, 1 January 2023	115	-1	-63	133	806	990	154	1,144
<i>Other comprehensive income:</i>								
Foreign exchange adjustment, foreign companies			-35			-35		-35
Value adjustment of hedging instruments:								
Value adjustment for the period				-86		-86		-86
Tax on other comprehensive income				37		37		37
Total other comprehensive income	0	0	-35	-49	0	-84	0	-84
Net result					60	60	6	66
Comprehensive income for the period	0	0	-35	-49	60	-24	6	-18
Deferred hedge gains and losses transferred to inventory, net of tax				-23		-23		-23
<i>Transactions with owners:</i>								
Purchase of treasury shares		-5				-5		-5
Share-based payment					1	1		1
Total transactions with owners in 1st half 2023	0	-5	0	0	1	-4	0	-4
Equity, 30 June 2023	115	-6	-98	61	867	939	160	1,099

Notes

1 Material accounting policy information

Accounting policies and new standards and interpretations

This condensed consolidated interim financial report for the period 1 January 2024 – 30 June 2024 is prepared in accordance with IAS 34 'Interim Financial Reporting', which has been approved by the EU and Danish disclosure requirements for interim reports for listed companies.

As of 1 January 2024, NKT adopted all relevant new or revised IFRS[®] Accounting Standards and IFRIC[®] Interpretations with effective date 1 January 2024 or earlier. The new or revised Standards and Interpretations did not affect recognition and measurement or result in any material changes to disclosures. Apart from this, the accounting policies applied are unchanged from those applied in the Annual Report 2023.

The Group has not prematurely adopted any standards, interpretations, or amendments issued but not yet effective.

The Interim Report includes financial performance measures that are not defined according to IFRS Accounting Standards. These measures are considered to provide valuable information

to stakeholders and Management. Since other companies might calculate these differently from NKT, they may not be comparable to the measures applied by other companies. These financial measures should therefore not be considered a replacement for performance measures as defined under IFRS Accounting Standards, but rather as supplementary information. Alternative performance measures are defined in Definitions.

Significant estimates and judgements

Significant accounting estimates and judgements are described in Note 1.3 in the Annual Report 2023. They are related to the recognition of revenue from construction contracts, impairment of assets, valuation of tax assets, recognition and measurement of contingent liabilities, and presentation of NKT Photonics as discontinued operations.

NKT is a party to various disputes and inquiries from authorities. The outcome of these disputes and inquiries are uncertain by nature, but as per 30 June 2024 the outcome of these are not expected to materially affect profit for the year or the financial position.

NKT provides usual third-party guarantees issued by financial institutions in support of contractual performance, mainly in high-voltage projects, to cover the risks relating to NKT's performance inherent in these projects, quality, and delays. At 30 June 2024, NKT has issued guarantees with a value of EUR 2,289m (EUR 1,917m at 31 March 2024), none of which are currently expected to materialise.

Risks and risk management

In the Annual Report 2023, risks are described in Note 5.6 in the consolidated financial statement as well as on page 24. No events or risk management activities carried out in the period 1 January 2024 – 30 June 2024 have altered the risk assessment applied in the Annual Report.

Notes

2 Segment reporting

Amounts in EURm	Solutions	Applications	Service & Accessories	Non allocated	Inter-segment transaction	NKT
Q2 2024						
Income statement						
Goods ¹⁾	8	322	43	0	-13	360
Services etc. ²⁾	5	0	1	0	0	6
Construction contracts ³⁾	416	0	20	0	0	436
Revenue (market prices)	429	322	64	0	-13	802
Adjustment of market prices to std. metal prices	-50	-147	0	0	0	-197
Revenue (std. metal prices)³⁾	379	175	64	0	-13	605
Costs and other income, net (excl. one-off items)	-362	-301	-59	-7	13	-716
Operational EBITDA	67	21	5	-7	0	86
Depreciation, amortisation and impairment	-18	-4	-2	0	0	-24
Operational EBIT	49	17	3	-7	0	62
Working capital	-1,261	98	34	-23	0	-1,152
Reconciliation to net result						
Operational EBITDA						86
One-off items						-1
Earnings before interest, tax, depreciation, and amortisation (EBITDA)						85
Depreciation, amortisation, and impairment						-24
Earnings before interest and tax (EBIT)						61
Financial items, net						16
Earnings before tax (EBT)						77
Tax						-2
Net result - continuing operations						75
Net result - discontinued operations						104
Net result						179

¹⁾ Revenue recognised at a point in time.

²⁾ Revenue recognised over time.

³⁾ Refer to Definitions.

Notes

2 Segment reporting – continued

Amounts in EURm	Solutions	Applications	Service & Accessories	Non allocated	Inter-segment transaction	NKT
Q2 2023						
Income statement						
Goods ¹⁾	13	291	43	0	-10	337
Services etc. ²⁾	5	0	2	0	0	7
Construction contracts ³⁾	310	0	7	0	-30	287
Revenue (market prices)	328	291	52	0	-40	631
Adjustment of market prices to std. metal prices	-43	-121	0	0	1	-163
Revenue (std. metal prices)³⁾	285	170	52	0	-39	468
Costs and other income, net (excl. one-off items)	-286	-274	-46	-7	40	-573
Operational EBITDA	42	17	6	-7	0	58
Depreciation, amortisation and impairment	-16	-4	-1	-1	0	-22
Operational EBIT	26	13	5	-8	0	36
Working capital	-765	68	39	121	0	-537
Reconciliation to net result						
Operational EBITDA						58
One-off items						0
Earnings before interest, tax, depreciation, and amortisation (EBITDA)						58
Depreciation, amortisation, and impairment						-22
Earnings before interest and tax (EBIT)						36
Financial items, net						12
Earnings before tax (EBT)						48
Tax						-13
Net result - continuing operations						35
Net result - discontinued operations						3
Net result						38

¹⁾ Revenue recognised at a point in time.

²⁾ Revenue recognised over time.

³⁾ Refer to Definitions.

Notes

2 Segment reporting – continued

Amounts in EURm	Solutions	Applications	Service & Accessories	Non allocated	Inter-segment transaction	NKT
1st half 2024						
Income statement						
Goods ¹⁾	17	600	78	0	-25	670
Services etc. ²⁾	12	0	3	0	-2	13
Construction contracts ³⁾	768	0	57	0	-2	823
Revenue (market prices)	797	600	138	0	-29	1,506
Adjustment of market prices to std. metal prices	-97	-272	0	0	2	-367
Revenue (std. metal prices)³⁾	700	328	138	0	-27	1,139
Costs and other income, net (excl. one-off items)	-678	-563	-127	-6	29	-1,345
Operational EBITDA	119	37	11	-6	0	161
Depreciation, amortisation, and impairment	-36	-7	-3	0	0	-46
Operational EBIT	83	30	8	-6	0	115
Working capital	-1,261	98	34	-23	0	-1,152
Reconciliation to net result						
Operational EBITDA						161
One-off items						-1
Earnings before interest, tax, depreciation, and amortisation (EBITDA)						160
Depreciation, amortisation, and impairment						-46
Earnings before interest and tax (EBIT)						114
Financial items, net						24
Earnings before tax (EBT)						138
Tax						-15
Net result - continuing operations						123
Net result - discontinued operations						101
Net result						224

¹⁾ Revenue recognised at a point in time.

²⁾ Revenue recognised over time.

³⁾ Refer to Definitions.

Notes

2 Segment reporting – continued

Amounts in EURm	Solutions	Applications	Service & Accessories	Non allocated	Inter-segment transaction	NKT
1st half 2023						
Income statement						
Goods ¹⁾	26	586	82	0	-19	675
Services etc. ²⁾	8	0	4	0	0	12
Construction contracts ³⁾	546	0	14	0	-26	534
Revenue (market prices)	580	586	100	0	-45	1,221
Adjustment of market prices to std. metal prices	-80	-252	0	0	1	-331
Revenue (std. metal prices)³⁾	500	334	100	0	-44	890
Costs and other income, net (excl. one-off items)	-503	-551	-90	-7	45	-1,106
Operational EBITDA	77	35	10	-7	0	115
Depreciation, amortisation, and impairment	-33	-8	-2	-1	0	-44
Operational EBIT	44	27	8	-8	0	71
Working capital	-765	68	39	121	0	-537
Reconciliation to net result						
Operational EBITDA						115
One-off items						0
Earnings before interest, tax, depreciation, and amortisation (EBITDA)						115
Depreciation, amortisation, and impairment						-44
Earnings before interest and tax (EBIT)						71
Financial items, net						16
Earnings before tax (EBT)						87
Tax						-22
Net result - continuing operations						65
Net result - discontinued operations						1
Net result						66

¹⁾ Revenue recognised at a point in time.

²⁾ Revenue recognised over time.

³⁾ Refer to Definitions.

Notes

3 Net interest-bearing debt and working capital

Amounts in EURm	30 June 2024	30 June 2023	Year 2023
Net interest-bearing debt			
Borrowings, non-current - continuing operations	203	172	196
Borrowings, non-current - classified as held for sale	0	10	10
Borrowings, current - continuing operations	24	10	11
Borrowings, current - classified as held for sale	0	2	2
Cash and cash equivalents - continuing operations	-1,504	-413	-888
Cash and cash equivalents - classified as held for sale	0	-3	-2
Net interest-bearing debt	-1,277	-222	-671
Working capital			
Inventories	405	296	311
Trade and other receivables	469	385	340
Derivative financial instruments	242	305	185
Contract assets	125	122	107
Income tax receivable	17	3	15
Trade payables	-477	-388	-364
Other liabilities	-232	-142	-145
Derivative financial instruments	-106	-215	-94
Contract liabilities	-1,577	-865	-1,037
Income tax payable	-18	-38	-27
Working capital	-1,152	-537	-709

Amounts in EURm	30 June 2024	30 June 2023	Year 2023
Reconciliation to change in working capital in cash flow			
Working capital 1 January	-709	-303	-303
Working capital end of period	-1,152	-537	-709
Change in working capital based on balance sheet	-443	-234	-406
Effect of unrealised hedges reported on Equity	-63	85	87
Effect of changes in current tax	-13	30	6
Effect of changes in exchange rates, etc.	-24	-9	-7
Change in working capital based on cash flow statement	-543	-128	-320

Notes

4 Discontinued operations

In June 2022, NKT entered into an agreement to divest NKT Photonics to Photonics Management Europe S.R.L, a 100% owned subsidiary of Hamamatsu Photonics K.K. Closing of the transaction was subject to regulatory approvals which were obtained from Germany, the United Kingdom, and the United States; however, not approved in Denmark in May 2023. After refiling the application in July 2023 the sale was approved in April 2024 and NKT Photonics was sold with effect from 31 May 2024.

Discontinued operations and information on discontinued operations below solely relates to NKT Photonics. The financial performance and cash flow information for Q2 are for the two months ended 31 May 2024.

Amounts in EURm	Q2 2024	Q2 2023	1st half 2024	1st half 2023	Year 2023
Profit for the year – discontinued operations					
Revenue	12	21	28	38	88
Costs and other income, net	-17	-20	-38	-40	-81
Earnings before interest, tax, depreciation, and amortisation (EBITDA)	-5	1	-10	-2	7
Depreciation, amortisation and impairment	0	0	0	0	0
Earnings before interest and tax (EBIT)	-5	1	-10	-2	7
Financial items, net	109	0	109	0	-1
<i>Hereof gain from sale of discontinued operations, net</i>	<i>107</i>	<i>0</i>	<i>107</i>	<i>0</i>	<i>0</i>
Earnings before tax (EBT)	104	1	99	-2	6
Tax	0	2	2	3	-1
Net result - discontinued operations	104	3	101	1	5
NKT's share hereof	104	3	101	1	5
Basic earnings - discontinued operations, EUR, per share (EPS)	1.9	0.0	1.9	0.0	0.1
Diluted earnings - discontinued operations, EUR, per share (EPS-D)	1.9	0.0	1.9	0.0	0.1

Amounts in EURm	Q2 2024	Q2 2023	1st half 2024	1st half 2023	Year 2023
Cash flows from discontinued operations					
Cash flow from operating activities	0	2	-3	6	4
Cash flow from investing activities	244	-5	241	-9	-15
Cash flow from financing activities	4	4	10	7	10
Net cash flow from discontinued operations	248	1	248	4	-1
Balance sheet items comprise					
Non-current assets	0	110	0	110	119
Current assets	0	58	0	58	58
Assets held for sale	0	168	0	168	177
Non-current liabilities	0	13	0	13	18
Current liabilities	0	21	0	21	20
Liabilities associated with assets held for sale	0	34	0	34	38

Notes

4 Discontinued operations – continued

Amounts in EURm	Q2 2024	Q2 2023	1st half 2024	1st half 2023	Year 2023
Consideration received or receivable:					
Cash	254	0	254	0	0
Total disposal consideration	254	0	254	0	0
Intangible assets	85	0	85	0	0
Property, plant and equipment	41	0	41	0	0
Inventories	29	0	29	0	0
Trade and other receivables	19	0	19	0	0
Cash and cash equivalents	3	0	3	0	0
Trade payables	-5	0	-5	0	0
Provisions	-10	0	-10	0	0
Other liabilities	-19	0	-19	0	0
Carrying amount of net assets sold	-143	0	-143	0	0
Transaction costs	-3	0	-3	0	0
Gain on sale before income tax and reclassification of foreign currency translation reserve	108	0	108	0	0
Reclassification of foreign currency translation reserve	-1	0	-1	0	0
Gain on sale before income tax	107	0	107	0	0
Income tax expense on gain	0	0	0	0	0
Gain on sale after income tax	107	0	107	0	0
Cash effect:					
Cash received	254	0	254	0	0
Cost related to transaction	-3	0	-3	0	0
Cash and cash equivalents disposed of	-3	0	-3	0	0
Net cash effect	248	0	248	0	0

5 Acquisition of companies

On 21 June 2024 NKT acquired 100% of SolidAI, a Portugal-based power cable manufacturer, from Njord Partners, adding medium- and high-voltage capacity to meet the growing demand from grid upgrades and renewable energy projects across Europe. The considerations were transferred in full and there are no contingent considerations.

Amounts in EURm	Q2 2024
Intangible assets	39
Property, plant, and equipment	53
Other non-current assets	4
Inventories	37
Trade and other receivables	10
Cash and cash equivalents	5
Non-current liabilities	-22
Current liabilities	-43
Acquired net assets	83
Goodwill	66
Purchase price	149
Acquired cash and cash equivalents	-5
Cash flow used for acquisition	144

The acquisition consists of net assets of EUR 83m predominantly related to property, plant and equipment, intangible assets and working capital. Acquired intangible assets are related to technology and customer relations. EUR 66m is recognised as goodwill reflecting expected synergies from the acquisition. The goodwill is not expected to be deductible for tax purposes. Acquisition related costs of EUR 1m are recognised in one-off items. The purchase price allocation is preliminary at the balance sheet date.

From the acquisition date to 30 June 2024, SolidAI had no significant impact on the result. Had the acquisition occurred on 1 January 2024, the impact for the period until 30 June 2024 on revenue and EBITDA would have been approximately EUR 64m and EUR 11m, respectively.

6 Events after the balance sheet date

Management is not aware of any subsequent matters that could be of material importance to NKT Group's financial position.

Definitions

The Group operates with the following performance measures which are calculated in accordance with the Danish Finance Society's guidelines:

Performance measures defined by IFRS Accounting Standards:

1. **Earnings, EUR per outstanding share (EPS)** – Earnings attributable to equity holders of NKT A/S relative to average number of outstanding shares.
 2. **Diluted earnings, EUR per outstanding share (EPS)** – Earnings attributable to equity holders of NKT A/S relative to average number of outstanding shares, including the dilution effect of outstanding share programmes.
- Further the Group presents the following performance measures not defined according to IFRS Accounting Standards (non-GAAP measures) in the Interim Report:
3. **Revenue at standard metal prices** – Revenue at standard metal prices for copper and aluminium is set at EUR/tonne 1,550 and EUR/tonne 1,350 respectively.

4. **Organic growth** – Revenue growth (standard metal price) as a percentage of prior-year adjusted revenue (standard metal price). Organic growth is a measure of growth, excluding the impact of exchange rate adjustments, acquisitions, and divestments.
5. **One-off items** – Consist of non-recurring income and cost related to acquisitions, divestments, integration, restructuring, severance, and other one-time items.
6. **Operational earnings before interest, tax, depreciation, and amortisation (Operational EBITDA)** – Earnings before interest, tax, depreciation, and amortisation (EBITDA) excluding one-off items.
7. **Operational earnings before interest and tax (Operational EBIT)** – Earnings before interest and tax excluding one-off items.

8. **Net interest-bearing debt** – Cash and interest-bearing receivables less interest-bearing debt. Hybrid capital is not included in net interest-bearing debt.
9. **Capital employed** – Equity plus net interest-bearing debt.
10. **Working capital** – Current assets minus current liabilities (excluding interest-bearing items and provisions).
11. **Gearing** – Net interest-bearing debt as a percentage of equity.
12. **Net interest-bearing debt relative to operational EBITDA** – Calculated as net interest-bearing debt as defined in point 8 relative to LTM (last twelve months) of operational EBITDA for continuing operations as defined in point 6.
13. **Solvency ratio (equity as a percentage of total assets)** – Equity including hybrid capital as a percentage of total assets.

14. **Return on capital employed (RoCE)** – Operational EBIT last twelve months for continuing operations as a percentage of average of the last five quarters of capital employed for continuing operations.
15. **Equity value, EUR per outstanding share** – Equity attributable to equity holders of NKT A/S per outstanding share at 30 June. Dilution effect of outstanding share programmes is excluded.
16. **Free cash flow** – Cash flow from operating and investing activities.
17. **Orders on hand** – Value of the uncompleted work of contracts within the Solutions business line. Contracts are included when they are signed and all significant conditions which may impact the value of the contracts have been agreed.

Statements made about the future in this report reflect the Group Management's current expectations with regard to future events and financial results. Statements about the future are by their nature subject to uncertainty, and the results achieved may therefore differ from the expectations, among other things due to economic and financial market developments, legislative and regulatory changes in NKT A/S markets, development in product demand, competitive conditions, and energy and raw material prices. See the latest Annual Report for a more detailed description of risk factors.

NKT A/S disclaims any liability to update or adjust statements about the future or the possible reasons for differences between actual and anticipated results except where required by legislation or other regulations.

The NKT A/S Interim Report Q2 2024 was published on 16 August 2024 and released through Nasdaq Copenhagen.

The report is also available at investors.nkt.com.

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Group Management's statement

The Board of Directors and the Executive Management Board have today considered and adopted the Interim Report of NKT A/S for the period 1 January – 30 June 2024.

The Interim Report for the period 1 January – 30 June 2024, which has not been audited or reviewed by the company auditor, has been prepared in accordance with IAS 34 'Interim Financial Reporting', as approved by the EU, and Danish disclosure requirements for interim reporting by listed companies.

In our opinion the Interim Report gives a true and fair view of the Group's assets, liabilities, and financial position at 30 June 2024 and the results of the Group's activities and cash flow for the period 1 January – 30 June 2024.

Furthermore, in our opinion, the Management's review includes a fair account of the development and performance of the Group, the results for the period, and of the financial position of the Group. Other than set forth in the interim report, no changes have occurred to the significant risks and uncertainty factors compared with those disclosed in the Annual Report for 2023.

Brøndby, 16 August 2024

Executive Management

Claes Westerlind
President & CEO

Line Andrea Fandrup
CFO

Board of Directors

Jens Due Olsen
Chair

René Svendsen-Tune
Deputy Chair

Nebahat Albayrak

Ākos Frank*

Jean Leif Iversen*

Karla Lindahl

Andreas Nauen

Pernille Blume Simonsen*

Anne Vedel

* Employee-elected member

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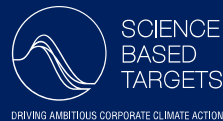
Find the full reporting for 2024 at nkt.com

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NKT is signatory to:



Science Based Targets initiative.
A commitment to become a net zero emissions company.



United Nations Global Compact.
A pledge to implement universal sustainability principles.



Europacable Industry Charter.
A commitment towards superior quality.