

The NKT logo is positioned in the top left corner of the image. It consists of the letters 'NKT' in a bold, white, sans-serif font. The background of the entire image is a close-up photograph of industrial machinery, likely a lathe, with a large, polished metal rod being processed. The lighting is dramatic, with strong highlights and deep shadows, creating a sense of precision and industry. A green grid pattern is overlaid on the right side of the image, adding a technical or digital aesthetic.

**NKT**

# Interim Report Q1 2024

We connect a greener world

Interim Report of NKT A/S for the period 1 January – 31 March 2024

**NKT A/S** | Vibeholms Allé 20, DK-2605 Brøndby, Denmark | Company Reg. No.: 6272 5214 | [nkt.com](http://nkt.com)

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Cover photo: Conductor stranding process: NKT factory in Cologne, Germany.

**“We have had a successful start to 2024, with continued growth in revenue and earnings in Q1. With another significant project award, our leading position in the high-voltage power cable market was once again confirmed; and our order backlog reached a new record level.**

**To strengthen our position further, we have initiated additional investments in Solutions and Applications. This will strengthen NKT's role in the green energy transition further, increase our customer value proposition, and generate additional value for shareholders.”**

**Claes Westerlind**

President & CEO, NKT A/S



# Key messages Q1 2024

NKT continued its positive financial performance, achieving double-digit growth in both revenue\* and operational EBITDA for the sixth consecutive quarter. This was primarily driven by further growth in Solutions.

Satisfactory execution was broad-based across the organization. In Solutions, execution of the company's record-level high-voltage order backlog continued, where high utilization of existing and expanded capacity drove an increase in revenue and earnings. In Applications, demand was steady in the power distribution grid segment driving satisfactory performance. Service & Accessories increased revenue and earnings, reflecting higher service repair activity after a muted 2023.

In Q1 2024, NKT's high-voltage order backlog increased to a new record-high level of EUR 11.5bn. This was driven by the award of two onshore power cable projects with German transmission system operator, Amprion. Supported by these awards and a strong high-voltage market outlook, NKT will invest approximately EUR 100m in additional capacity at its existing factory in Cologne.

Amounts in EURm	NKT		
	Q1 2024	Q1 2023	FY 2023
Revenue	704	590	2,567
Revenue in std.metal prices**	534	422	1,927
Organic growth**	27%	34%	36%
Operational EBITDA**	75	57	255
Operational EBITDA margin*, **	14.1%	13.5%	13.2%
EBIT	53	35	165
Net result – continuing operations	48	30	119
Free cash flow – continuing operations	-16	-98	295
Working capital** – continuing operations	-667	-159	-709
RoCE*** – continuing operations	22%	8%	20%

\* Std. metal prices

\*\* Alternative performance measures

\*\*\* Refer to Definitions

To support growing demand for medium-voltage power cables and the ongoing electrification of societies, NKT will also invest an additional approximately EUR 100m to expand capacity and capabilities at its medium-voltage factories in Czech Republic, Denmark, and Sweden.

Investments in Solutions and Applications support NKT's medium-term financial ambitions, including delivering RoCE above 20%.

Free cash flow of EUR -16m in Q1 2024 was due to ongoing investments and an increase in working capital compared to end-2023. This was partially offset by a higher quarterly earnings contribution. NKT's balance sheet remained robust at end-Q1 2024 with net interest-bearing debt of EUR -642m.

In Q1 2024, progress of the approximately EUR 1bn investment program — previously announced in May 2023 — continued. In Karlskrona, preparations have begun on-site, foundation work has commenced, and critical machinery with long lead times has been secured.

The financial outlook for 2024 remains unchanged following the financial performance in Q1 2024.

## Agreement to divest NKT Photonics

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., which is a Japanese company engaged in developing photoelectric devices and application products.

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.

In July 2023, the Purchaser refiled its application to have the transaction approved in Denmark under the Danish Investment Screening Act. In May 2024, the Danish Business Authority granted authorisation to the Purchaser for the transaction to proceed. NKT expects the transaction to be completed during Q2 2024.

In Q1 2024, NKT Photonics' organic growth was -6%. EBITDA was EUR -5m. This led to a net result from discontinued operations of EUR -3m in Q1 2024.

For accounting and reporting purposes, NKT Photonics is presented as discontinued operations and assets held for sale in this report.

See more detailed information in Note 4 on page 27.



# Key highlights Q1 2024

## 534m

Revenue (std. metal prices)

Up from EUR 422m in Q1 2023. Positive contributions from Solutions and Service & Accessories led to growth of EUR 112m

## 27%

Organic growth

Reflecting organic growth of 50% in Solutions, -8% in Applications and 66% in Service & Accessories

## 75m

Operational EBITDA, EUR

Increase of EUR 18m compared to EUR 57m in Q1 2023. Further growth was due to continued satisfactory execution in Solutions and an increased earnings level in Service & Accessories

## 11.5bn

High-voltage order backlog, EUR

Further growth from EUR 10.8bn at end-2023 due to the award of two projects with German transmission system operator, Amprion. Two capacity reservation agreements from SSEN Transmission and three projects under a framework agreement with TenneT – awarded in 2023 - are not included in the order backlog. They have an estimated value of more than EUR 2.5bn

## Financial outlook 2024

The financial outlook remains unchanged from Company Announcement No. 3 of 21 February 2024.

Revenue (in std. metal prices) is expected to be approximately EUR 2.21-2.36bn and operational EBITDA is expected to be approximately 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
- 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	Q1 2024	Q1 2023	Year 2023
<b>Income statement</b>			
Revenue	704	590	2,567
Revenue in std. metal prices* 3	534	422	1,927
Operational EBITDA* 6	75	57	255
EBITDA	75	57	255
Amortization, depreciation and impairment	-22	-22	-90
EBIT	53	35	165
Financial items, net	8	4	-16
Earnings before tax (EBT)	61	39	149
Net result - continuing operations	48	30	119
Net result - discontinued operations	-3	-2	5
Net result	45	28	124
<b>Cash flow</b>			
Cash flow from operating activities	48	-67	542
Cash flow from investing activities	-64	-31	-247
<i>hereof investments in Property, plant and equipment</i>	-58	-23	-205
Free cash flow <sup>15</sup>	-16	-98	295
<b>Balance sheet</b>			
Share capital	144	115	144
Group equity	1,597	1,170	1,575
Total assets	3,707	2,767	3,604
Net interest-bearing debt (NIBD)* 7	-642	50	-671
Capital employed* 8	955	1,220	904
Working capital* 9	-667	-159	-709

Amounts in EURm	Q1 2024	Q1 2023	Year 2023
<b>Financial ratios and employees</b>			
Operational EBITDA margin, (std. metal prices)*	14.1%	13.5%	13.2%
Gearing (NIBD as % of Group equity)* 10	-40%	4%	-43%
NIBD relative to operational EBITDA* 11	-2.4x	0.3x	-2.6x
Solvency ratio (equity as % of total assets)* 12	43%	42%	44%
Return on capital employed (RoCE)* 13	22%	8%	20%
Number of DKK 20 shares ('000)*	53,720	42,976	53,720
EPS, continuing operations <sup>1</sup>	0.8	0.6	2.2
Diluted EPS, continuing operations <sup>2</sup>	0.8	0.6	2.1
Equity value, EUR per outstanding share* 14	27	24	26
Market price, DKK per share*	570	357	464
Average number of employees, continuing operations	4,978	4,291	4,473

<sup>1-15</sup> Refer to definitions on page 28

\* Alternative performance measures

# Financial review

Driven primarily by execution on existing and expanded capacity and capabilities in Solutions, NKT grew revenue\* organically by 27% in Q1 2024. This led to the further increase of operational EBITDA. Free cash flow generation was negative in Q1 2024 due to ongoing investments across business lines and an increase in working capital. Capital expenditures are expected to remain at an elevated level going forward as NKT continues to invest in value accretive opportunities.

## Revenue growth driven by Solutions

Revenue\* increased by EUR 112m in Q1 2024 compared to Q1 2023, corresponding to 27% organic growth. Satisfactory execution in Solutions on existing and expanded capacity and capabilities drove the majority of growth. This was partially offset by a slight decrease in revenue within Applications, with Q1 2023 being a high comparison period. Service & Accessories contributed with higher revenue, which was the result of increased service repair activity compared to Q1 2023.

Expressed in market prices, revenue in Q1 2024 was EUR 704m, compared to EUR 590m in Q1 2023.

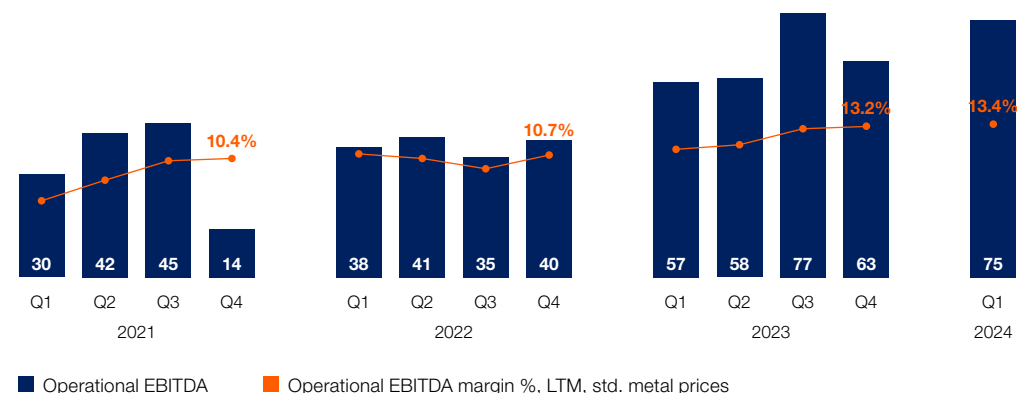
## Further improvement in operational EBITDA

Operational EBITDA increased EUR 18m from EUR 57m in Q1 2023 to EUR 75m in Q1 2024. This corresponded to an operational EBITDA margin\* of 14.1% in Q1 2024, up from 13.5% in the same period of 2023.

The higher earnings level and improved company profitability was primarily driven by Solutions, which made up an incrementally

## Operational EBITDA

Amounts in EURm



■ Operational EBITDA    ■ Operational EBITDA margin %, LTM, std. metal prices

higher share of total earnings compared to Q1 2023. This was partially offset by a higher cost base, as NKT continued to expand across business lines.

NKT recognized no one-off items in Q1 2024, which was the same as in Q1 2023.

EBIT in Q1 2024 was EUR 53m, up from EUR 35m in Q1 2023. The higher EBIT was primarily driven by the same parameters as operational EBITDA, as depreciation and amortization was at a similar level to Q1 2023.

## Revenue development and organic growth

Amounts in EURm

Q1 2023 revenue*	422
Currency effect	-1
Acquisition	0
Organic growth	113
<b>Q1 2024 revenue*</b>	<b>534</b>
Organic growth, %	27%

\* Std. metal prices



### Financial items and net result

Net financial items in Q1 2024 amounted to EUR 8m, mainly due to the interest income, but also a positive contribution due to exchange-rate fluctuations. In Q1 2023, the financial items were EUR 4m.

Earnings before tax amounted to EUR 61m in Q1 2024, compared to EUR 39m in Q1 2023. Tax amounted to EUR -13m for Q1 2024, resulting in an effective tax rate of 21%. This was lower than the same period of 2023 due to a positive impact from legislation enacted during Q1 2024 in Germany. The net result from continuing operations was EUR 48m in Q1 2024, against EUR 30m in Q1 2023.

### Negative free cash flow driven by ongoing investments and working capital development

Cash flow from operating activities\*\* was EUR 48m in Q1 2024, compared to EUR -67m in Q1 2023. The positive development was due to a larger earnings contribution and less negative working capital impact compared to Q1 2023.

At end-Q1 2024, working capital amounted to EUR -667m, equivalent to an increase of EUR 42m from end-2023. This was mainly due to the phasing of milestone payments in Solutions and an increase in Applications due to higher activity level. Unrealized value adjustments of hedging

instruments reduced NKT's working capital by EUR -9m, mainly due to the depreciation of the SEK during Q1 2024. This did not have a cash impact for NKT.

Cash flow from investing activities\*\* amounted to EUR -64m in Q1 2024, compared to EUR -31m in the same period of last year. During the quarter, NKT progressed on its previously announced investment program within Solutions, which was launched to increase high-voltage capacity and capabilities. Capital expenditures are expected to accelerate in the coming quarters to support growth.

Free cash flow\*\* in Q1 2024 was -16m, up from EUR -98m in Q1 2023.

### Positive development in RoCE due to higher earnings contribution

RoCE\*\* was 22% at end-Q1 2024, a further increase from 20% at end-2023. This was primarily driven by another step up in EBIT, which improved to EUR 53m in Q1 2024, partially offset by an increase in capital employed. In line with NKT's medium term ambitions, RoCE has improved, reflecting progressively higher earnings contributions. RoCE will fluctuate from quarter-to-quarter depending on the project mix in production and the timing of milestone payments from customers.

### Working capital

Amounts in EURm



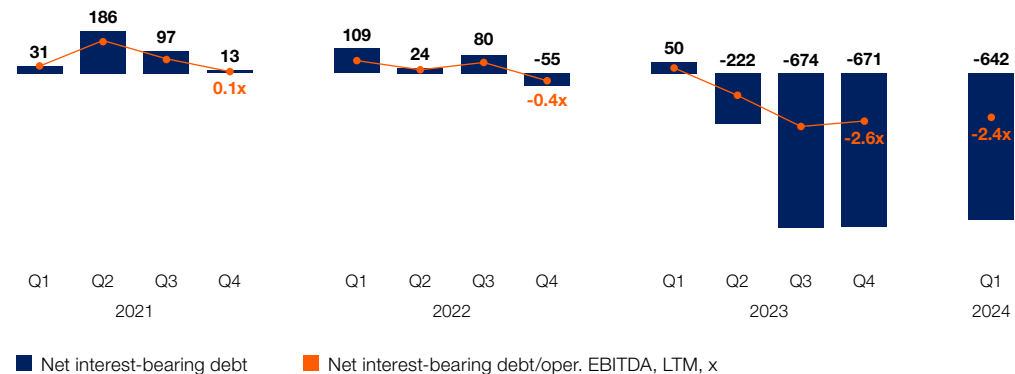
\* Std. metal prices

\*\* From continuing operations



### Net interest-bearing debt

Amounts in EURm



### Liquidity, debt leverage and equity

Negative free cash flow generation from an elevated capex level — as well as an increase in working capital in Q1 2024 — led to an increase in net interest-bearing debt from EUR -671m at end-2023, to EUR -642m at end-Q1 2024.

Net interest-bearing debt relative to operational EBITDA amounted to -2.4x at end-Q1 2024, up from -2.6x at end-2023.

At the end of Q1 2024, NKT had total available liquidity reserves of EUR 1,061m, comprising cash of EUR 861m (of which EUR 3m related to assets held for sale) and undrawn credit facilities of EUR 200m.

In recent years, NKT's robust liquidity position has primarily been strengthened by a favourable trend in the receipt of milestone payments related to projects in Solutions. A position of financial strength must be maintained, such that NKT can continue to execute on investments in Solutions and Applications in the years ahead.

Group equity, including the green hybrid security issued in September 2022, amounted to EUR 1,597m. The company's solvency ratio was 43%, compared to 44% at the end of the previous quarter.





# Sustainability

In Q1 2024, NKT executed on its sustainability strategy as one of the three pillars of the corporate strategy, ReNew BOOST.

## Environment

During Q1 2024, NKT progressed across various programs dedicated to reducing all three scopes of its direct and indirect corporate emissions, while also strengthening its environmental focus. With the award of two large onshore high-voltage power cable projects in Germany, NKT will continue to be instrumental in supporting the interconnection and upgrade of the German power grid for the decade to come. NKT's products are enabling the transmission of renewable energy and ongoing electrification of society with an enhanced focus on reducing carbon emissions.

As part of the focus to reduce the carbon footprint of its value chain, NKT entered into a strategic partnership with Norwegian supplier Hydro to accelerate the shift towards low-carbon aluminium, reducing the carbon footprint of power cables. The partnership will support NKT on its journey to reaching the corporate target of reducing scope 3 emissions by 27.5% by 2030\*.

In September 2023, the Science Based Target initiative (SBTi) approved NKT's near-term 2030 decarbonization targets. As a next step, NKT submitted the formal documentation for the corporate 2050 net-zero target to the SBTi in April 2024. NKT will continue to progress its sustainability efforts according to the sustainability strategy and is now awaiting approval from SBTi.

## Social

During Q1 2024, NKT continued to invest in the attraction and retention of talent. NKT also further enhanced its focus on fostering a diverse and inclusive culture with various initiatives such as:

- The launch of corporate leadership principles, with diversity and inclusion as central elements
- The launch of a referral program to attract more female talent
- The increase of participants to the Fast Track Leadership Program

- The establishment of a diversity and inclusion champions group

In 2022, NKT launched an updated safety strategy with the target to have a Total Recordable Injury Rate of no more than 0.6 by 2028. NKT. Safety performance in 2023 was unsatisfactory and was not in line with these ambitions. This highlighted the need for a heightened focus on developing a stronger safety culture across the NKT organization.

In Q1 2024, NKT launched SafeStart, a program designed to develop a much improved safety culture across the organization. The SafeStart program will be gradually implemented throughout 2024 and will lay the foundation for a strengthened safety culture going forward. The well-being and safety of all NKT employees remains the highest priority; and positive data-points were gathered under the SafeStart program during Q1 2024.

## 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](#)

\* Compared to a baseline in 2019.



Business line

# Solutions

## Organic growth of 50%

Revenue\* for Solutions increased from EUR 215m in Q1 2023 to EUR 321m in Q1 2024, corresponding to organic growth of 50%. This was driven by the satisfactory execution of orders awarded in recent years, as well as previous investments made to increase capacity and organizational capabilities.

NKT continued to progress and execute on several projects through varying stages of execution in Q1 2024. These projects included Baltic Power, BorWin 5, Champlain Hudson Power Express, Dogger Bank C, Draugen, Hornsea 3, SuedLink, and SuedOstLink.

Successful completion of previous investments in capacity drove up the level of production revenue in Q1 2024. As expected installation revenue from the company's cable-laying vessel, NKT Victoria – that are typically at a reduced level in Q1 due to seasonality – remained low in Q1 2024.

Revenue measured in market prices amounted to EUR 368m in Q1 2024, against EUR 252m in Q1 2023.

## Continued growth in operational EBITDA

Operational EBITDA in Q1 2024 amounted to EUR 52m, an increase of EUR 17m from Q1 2023. This corresponded to an operational EBITDA margin\* of 16.2% in Q1 2024, a similar level as in Q1 2023.

The execution of projects was overall satisfactory in Q1 2024. Quarterly profitability margins will continue to vary depending on the phasing of projects in execution.

In Q1 2024, NKT announced the finalization of the 525 kV MI HVDC onshore power cable system for the Viking Link connection between Great Britain and Denmark. NKT continues to play a central role in interconnecting power grids across Europe and completed the cable system within budget, ahead of schedule, and with zero lost time incidents.

## Highlights

- Continued growth in revenue and operational EBITDA
- New record-high order backlog level triggered new investments in Cologne
- High level of market activity to start 2024

# 321m

Revenue\*, EUR  
(Q1 2023: 215m)

# 50%

Organic growth  
(Q1 2023: 47%)

# 52m

Operational EBITDA, EUR  
(Q1 2023: 35m)

\* Std. metal prices



Business line

# Solutions

## Additional order intake and further capacity investments

After an unprecedented EUR 7bn in new high-voltage contract awards to NKT in 2023, Q1 2024 represented another important milestone. In March 2024, NKT was awarded two onshore power cable projects for the continued expansion of the German power grid by Transmission System Operator, Amprion. NKT will design, manufacture, and install onshore power cable systems with voltage levels of 525kV DC, 380kV AC, and 110kV AC, respectively, and the projects have a combined value of approximately EUR 1.2bn (approximately EUR 1bn in std. metal prices).

Supported by these awards and a strong market outlook, NKT has launched an investment of approximately EUR 100m to expand high-voltage production at its existing factory in Cologne. Capital expenditures are scheduled between 2024 and 2026, with new assets gradually becoming operational in 2027. The investment will be funded within NKT's existing capital structure and supports the company's medium-term financial ambitions including RoCE above 20%.

Progress under the EUR 1bn investment program related to Karlskrona and a new cable-laying vessel advanced according to plan in Q1 2024. Preparations have begun on-site, foundation work has commenced, and critical machinery with long lead times has been secured.

## High-voltage order backlog at EUR 11.5bn

The high-voltage order backlog at end-Q1 2024 was at a record-high level of EUR 11.5bn (EUR 10.1bn in std. metal prices), up from EUR 10.8bn (EUR 9.5bn in std. metal prices) at end-2023. NKT's backlog position does not include three projects awarded under a framework agreement from TenneT, as well as two capacity reservation agreements from SSEN Transmission. Combined, these have an estimated value of more than EUR 2.5bn.

At end-Q1 2024, more than 80% of the order backlog was 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.

## High level of market activity to start 2024

After a record level of market activity in 2023, NKT estimates that the value of projects awarded in its addressable high-voltage power cable market surpassed EUR 9bn in Q1 2024. This primarily covered projects that were converted into firm orders for a few of the power cable companies. Continued strong demand for high-voltage production and installation capacity was mainly for DC technology, where NKT is well-positioned.

In Q1 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. For NKT, achieving optimal production and installation flow, and thereby optimizing earnings, is contingent upon high utilization of capacity across all production and installation phases.

## Recent notable high-voltage project awards for NKT

Project name	Customer type	Announced	Size (EURm)	Type
Korridor-B V48 + Rheinquerung (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



Business line

# Applications

## Revenue at continued high level

In Q1 2024, revenue\* decreased by EUR 11m versus Q1 2023, corresponding to -8% organic growth. The comparison period was high due to price adjustments implemented to offset inflationary pressure. Overall, revenue was maintained at a satisfactory level. This was driven by stable volumes and continued positive developments in the power distribution grid segment. Revenue was negatively impacted by the construction-exposed segment, where prices were challenged compared to Q1 2023.

Revenue expressed in market prices amounted to EUR 278m in Q1 2024, a decrease compared to EUR 295m in Q1 2023.

## Operational EBITDA margin of 10.5%

Lower revenue led to a decrease in operational EBITDA of EUR 2m compared to Q1 2023. The operational EBITDA margin was at a satisfactory level of 10.5% in Q1 2024, driven by continued positive developments in the power distribution grid segment and previous efficiency initiatives. This was a slight decrease compared to an operational EBITDA margin of 11.0% in Q1 2023, which was a record-level for Applications.

The optimization of factory footprint across geographies to increase efficiency and specialization contributed to improved profitability in Q1 2024. NKT is well positioned to continue to maintain satisfactory margins in Applications,

supported by strong demand in the power distribution grid segment.

## Investments in medium-voltage business to satisfy growing demand

In April 2024, NKT announced that it will invest approximately EUR 100m in additional medium-voltage capacity and capabilities to satisfy growing demand in the power distribution grid segment. The market has grown steadily in recent years, driven by the transition to renewable energy and the continued electrification of societies. Power grid operators are in the process of conducting major upgrade projects to keep pace.

## Highlights

- Revenue at high level with satisfactory profitability
- Continued positive developments in power distribution grid segment
- Investments in medium-voltage business to satisfy growing demand

# 153m

Revenue\*, EUR  
(Q1 2023: 164m)

# -8%

Organic growth  
(Q1 2023: 25%)

# 16m

Operational EBITDA, EUR  
(Q1 2023: 18m)

\* Std. metal prices



Business line

# Applications

Investments will be allocated to three of NKT's production sites – Asnæs, Denmark; Falun, Sweden; and Velke Meziříčí, Czech Republic. New production capacity will strengthen NKT's market leading position, is anticipated to be progressively operational in 2025 and 2026, and supports NKT's medium-term financial ambitions including delivering RoCE above 20%.

## Continued positive developments in power distribution grid market

In Q1 2024, market developments continued to differ between segments within Applications. The power distribution grid segment continued to see healthy demand, while the economic activity in Europe kept activity in the construction-exposed segment at a low – albeit relatively stable – level.

Positive developments in the power grid market continue to benefit NKT due to the company's presence within medium-voltage and other power cable solutions exposed to this segment.

The positive development for NKT was broad-based across various geographies; and efficiency initiatives have seen increases in output from production sites running at high capacity utilization.

Due to lower construction activity and sentiment, which is primarily visible in the residential market, NKT's revenue within building wires and other construction-exposed products was at a continued low level in Q1 2024. Weak sentiment has been observed across markets and NKT is focused on mitigating the impact of market headwinds to the largest degree possible.





Business line

# Service & Accessories

## Higher revenue due to increase in service repair activity

Revenue\* for Service & Accessories increased to EUR 74m in Q1 2024 from EUR 48m in Q1 2023 – equivalent to organic growth of 66%. 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 last year. This was partially offset by slightly lower revenues in the accessories business versus Q1 2023.

## Improvement in operational EBITDA

Driven by higher revenue, Service & Accessories increased operational EBITDA by EUR 2m from Q1 2023 to Q1 2024. Despite high revenue

growth, the operational EBITDA margin\* was 8.1% in Q1 2024, on par with Q1 2023. A high level of offshore repair activity in Q1 2024 was driven primarily by work related to one legacy service agreement, which was executed at an unusually low profitability margin.

Profitability was also negatively impacted by an increased cost base, reflecting a higher employee count that will be important for future execution of projects and opportunities.

## Pickup in offshore repair work activity

In Q1 2024, revenue and operational EBITDA in the service business were higher than in Q1 2023. This was due to higher activity within the

offshore repair segment, including one particularly large and complex offshore repair.

Other segments continued to perform positively, driven by various strategic initiatives taken to create a more robust business model. Across the majority of its markets, NKT performed well within its reoccurring onshore repair business. The service business has built capabilities to execute larger projects leading to further opportunities tied to the ongoing electrification of societies.

NKT is continuously expanding its service offering to ensure relevant solutions for power grid operators. This includes a new submarine

## Highlights

- Higher revenue and earnings due to increase in service repair activity
- Satisfactory performance in remaining service business
- Stable earnings development in accessories business

# 74m

Revenue\*, EUR  
(Q1 2023: 48m)

# 66%

Organic growth  
(Q1 2023: 7%)

# 6m

Operational EBITDA, EUR  
(Q1 2023: 4m)

\* Std. metal prices



Business line

## Service & Accessories

joint concept. NKT's Adaptive Rigid Sea Joint is suitable for all common three-phase HVAC submarine cables up to 300kV. Through this, power cable owners can reduce the amount of spares in stock or even pool spares across multiple operators. NKT has delivered the first order of this product to the Danish TSO Energinet.

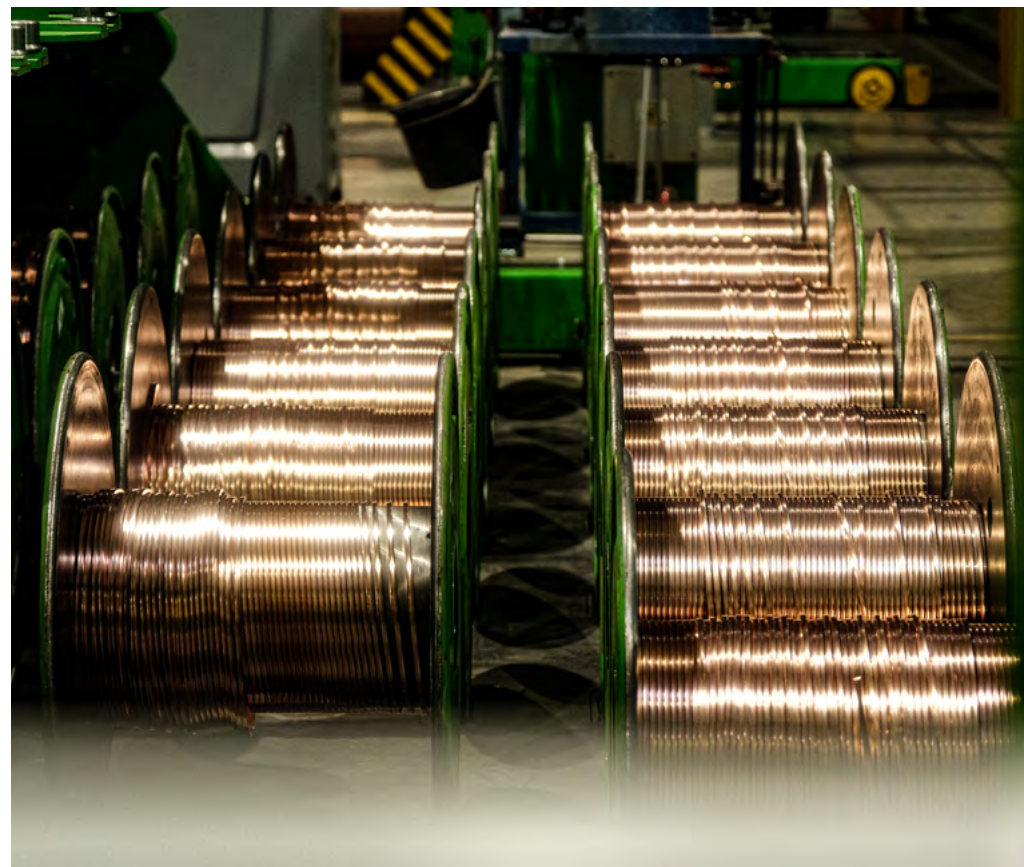
Geographical expansion is also a key strategic growth priority within the service business. In Q1 2024, NKT continued its expansion efforts in Australia, the UK and the US, where employees have been recruited to expand the respective organizations.

### **Stable earnings development in the accessories business**

In Q1 2024, a slight decrease in revenue in the accessories business was the result of a high comparison period in Q1 2023 that was driven by particularly strong sales of medium-voltage accessories. Despite lower revenue, operational EBITDA remained at a comparable level, reflecting the continued ramp-up of HVDC accessories.

Structural growth trends within the high-voltage and medium-voltage power cable markets are positively impacting NKT's accessories business. NKT has successfully introduced several accessories for the offshore wind segment, which has had a positive impact on growth that is expected to continue going forward.

The HVDC power cable market is growing fast and NKT is playing an important role as part of this growth. To meet the demand for these accessories, NKT is expanding its current accessories production site in Alingsås, Sweden. The expansions will include a new test hall designed for testing power cable accessories up to 525kV, an office building to house the increasing number of employees as well as additional capacity within the existing production. This investments are well in progress.





# Shareholder information

## NKT shares

The average daily turnover in NKT A/S shares on all trading markets was EUR 34m in Q1 2024, up from EUR 20m in Q1 2023. The average daily trading volume was around 500,000 shares in Q1 2024, compared to around 400,000 in Q1 2023. Nasdaq Copenhagen was the main trading market for the company's shares with 32% of the total traded volume in 2023.

At end-Q1 2024, the NKT A/S share price was DKK 570, compared to DKK 464 at end-2023. This equalled a share price return of 23%. The corresponding dividend-adjusted share price returns in the same period for the company's largest European competitors, Prysmian and Nexans, were 18% and 22%, respectively. The Danish OMXC25 index, adjusted for dividends, increased by 7% in the first three months of 2024.

At end-Q1 2024, three NKT A/S investors had reported shareholdings of between 5.00–9.99%:

- ATP (Denmark)
- BlackRock, Inc. (US)
- Greenvale Capital (UK)

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 (EUR 144m).

## Annual General Meeting

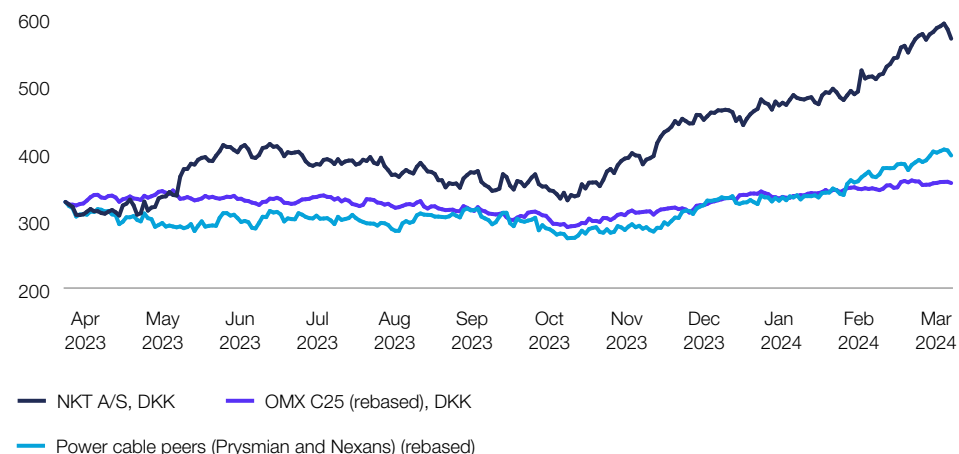
The Annual General Meeting of NKT A/S was held on 20 March 2024. All proposals on the agenda were approved.

Jens Due Olsen, René Svendsen-Tune, Nebahat Albayrak, Karla Lindahl, Andreas Nauen, and Anne Vedel were re-elected as members of the Board of Directors. Pernille Blume, Stig Nissen Knudsen and Christian Dyhr were not up for election as they were elected as employee representatives for a four-year period in 2022.

At the Board meeting after the Annual General Meeting, Jens Due Olsen was elected Chair of the Board of Directors and René Svendsen-Tune was elected Deputy Chair.

[More shareholder information is available at \[investors.nkt.com\]\(https://investors.nkt.com\)](#)

## 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

16 Aug: Interim Report, Q2 2024  
 14 Nov: Interim Report, Q3 2024





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## Condensed income statement

Amounts in EURm	Q1 2024	Q1 2023	Year 2023
Revenue	704	590	2,567
Costs of raw materials, consumables and goods for resale	-473	-398	-1,747
Staff costs	-90	-79	-308
Other costs	-67	-58	-261
Other operating income	1	2	4
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>75</b>	<b>57</b>	<b>255</b>
Depreciation and impairment of property, plant and equipment	-18	-17	-71
Amortization and impairment of intangible assets	-4	-5	-19
<b>Earnings before interest and tax (EBIT)</b>	<b>53</b>	<b>35</b>	<b>165</b>
Financial items, net	8	4	-16
<b>Earnings before tax (EBT)</b>	<b>61</b>	<b>39</b>	<b>149</b>
Tax	-13	-9	-30
<b>Net result - continuing operations</b>	<b>48</b>	<b>30</b>	<b>119</b>
Net result - discontinued operations	-3	-2	5
<b>Net result</b>	<b>45</b>	<b>28</b>	<b>124</b>
<i>To be distributed as follows:</i>			
Equity holders of NKT A/S	42	25	113
Hybrid capital holders of NKT A/S	3	3	11
<b>Net result</b>	<b>45</b>	<b>28</b>	<b>124</b>
Basic earnings - continuing operations, EUR, per share (EPS)	0.8	0.6	2.2
Diluted earnings - continuing operations, EUR, per share (EPS-D)	0.8	0.6	2.1
Basic earnings, EUR, per share (EPS)	0.8	0.6	2.3
Diluted earnings, EUR, per share (EPS-D)	0.8	0.6	2.3

## Condensed statement of comprehensive income

Amounts in EURm	Q1 2024	Q1 2023	Year 2023
<b>Net result</b>	<b>45</b>	<b>28</b>	<b>124</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to income statement:</i>			
Foreign exchange adjustment, foreign companies	-25	-9	7
Value adjustment of hedging instruments	22	26	93
Tax on other comprehensive income	-4	-8	-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	1
<b>Total other comprehensive income for the period</b>	<b>-7</b>	<b>9</b>	<b>86</b>
<b>Comprehensive income for the period</b>	<b>38</b>	<b>37</b>	<b>210</b>
<i>To be distributed as follows:</i>			
Equity holders of NKT A/S	35	34	199
Hybrid capital holders of NKT A/S	3	3	11
<b>Comprehensive income for the period</b>	<b>38</b>	<b>37</b>	<b>210</b>

## Condensed balance sheet

Amounts in EURm	31 March 2024	31 March 2023	31. Dec 2023
<b>Assets</b>			
Intangible assets	530	525	544
Property, plant and equipment	1,033	847	1,014
Investment in associated companies	9	0	9
Other investments and receivables	1	1	1
Deferred tax	12	3	13
<b>Total non-current assets</b>	<b>1,585</b>	<b>1,376</b>	<b>1,581</b>
Inventories	321	320	311
Trade and other receivables	418	353	340
Derivative financial instruments	230	292	185
Contract assets	106	118	107
Income tax receivable	14	3	15
Cash and cash equivalents	858	144	888
Assets held for sale	175	161	177
<b>Total current assets</b>	<b>2,122</b>	<b>1,391</b>	<b>2,023</b>
<b>Total assets</b>	<b>3,707</b>	<b>2,767</b>	<b>3,604</b>

Amounts in EURm	31 March 2024	31 March 2023	31. Dec 2023
<b>Equity and liabilities</b>			
Equity attributable to equity holders of NKT A/S	1,439	1,014	1,420
Hybrid capital	158	156	155
<b>Total equity</b>	<b>1,597</b>	<b>1,170</b>	<b>1,575</b>
Deferred tax	28	59	36
Pension liabilities	40	41	40
Provisions	13	12	11
Interest-bearing loans and borrowings	194	172	196
<b>Total non-current liabilities</b>	<b>275</b>	<b>284</b>	<b>283</b>
Interest-bearing loans and borrowings	13	16	11
Trade payables	404	364	364
Other liabilities	156	140	145
Derivative financial instruments	140	95	94
Contract liabilities	1,001	637	1,037
Income tax payable	55	9	27
Provisions	33	20	30
Liabilities associated with assets held for sale	33	32	38
<b>Total current liabilities</b>	<b>1,835</b>	<b>1,313</b>	<b>1,746</b>
<b>Total liabilities</b>	<b>2,110</b>	<b>1,597</b>	<b>2,029</b>
<b>Total equity and liabilities</b>	<b>3,707</b>	<b>2,767</b>	<b>3,604</b>



## Condensed cash flow statement

Amounts in EURm	Q1 2024	Q1 2023	Year 2023
Earnings before interest, tax, depreciation and amortisation (EBITDA)	75	57	255
Non-cash operating items:			
Change in provisions, gain and loss on sale of assets, etc.	7	-1	8
Changes in working capital	-42	-123	320
<b>Cash flow from operations before financial items, etc.</b>	<b>40</b>	<b>-67</b>	<b>583</b>
Financial items paid/received, net	8	4	-16
Income tax paid/received, net	0	-4	-25
<b>Cash flow from operating activities from continuing operations</b>	<b>48</b>	<b>-67</b>	<b>542</b>
Acquisition of associated companies	0	0	-9
Investments in property, plant and equipment	-58	-23	-205
Intangible assets and other investments, net	-6	-8	-33
<b>Cash flow from investing activities from continuing operations</b>	<b>-64</b>	<b>-31</b>	<b>-247</b>
<b>Free cash flow from continuing operations</b>	<b>-16</b>	<b>-98</b>	<b>295</b>
Changes in loans	-11	-11	-1
Repayment of lease liabilities	-1	-1	-6
Capital increase	0	0	357
Purchase of treasury shares	0	-5	-7
Coupon payments on hybrid capital	0	0	-9
<b>Cash flow from financing activities from continuing operations</b>	<b>-12</b>	<b>-17</b>	<b>334</b>

Amounts in EURm	Q1 2024	Q1 2023	Year 2023
<b>Net cash flow from continuing operations</b>	<b>-28</b>	<b>-115</b>	<b>629</b>
Net cash flow for the period from discontinued operations	0	3	-1
<b>Net cash flow</b>	<b>-28</b>	<b>-112</b>	<b>628</b>
Cash and cash equivalents, 1 January	890	262	262
Currency adjustments	-1	-1	0
Net cash flow for the period	-28	-112	628
<b>Cash and cash equivalents at the end of the period</b>	<b>861</b>	<b>149</b>	<b>890</b>
Of which classified as assets held for sale	3	5	2
<b>Cash and cash equivalents at the end of the period from continuing operations</b>	<b>858</b>	<b>144</b>	<b>888</b>

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
<b>Equity, 1 January 2024</b>	144	-4	-56	88	1,248	1,420	155	1,575
<i>Other comprehensive income:</i>								
Foreign exchange adjustment, foreign companies			-25			-25		-25
Value adjustment of hedging instruments:								
Value adjustment for the period				23		23		23
Transferred to revenue				-1		-1		-1
Tax on other comprehensive income				-4		-4		-4
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-25</b>	<b>18</b>	<b>0</b>	<b>-7</b>	<b>0</b>	<b>-7</b>
Net result					42	42	3	45
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-25</b>	<b>18</b>	<b>42</b>	<b>35</b>	<b>3</b>	<b>38</b>
Deferred hedge gains and losses transferred to inventory, net of tax				-16		-16		-16
<i>Transactions with owners :</i>								
Excercise of performance shares		3			-3	0		0
<b>Total transactions with owners in Q1 2024</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>-3</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity, 31 March 2024</b>	<b>144</b>	<b>-1</b>	<b>-81</b>	<b>90</b>	<b>1,287</b>	<b>1,439</b>	<b>158</b>	<b>1,597</b>



## 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
<b>Equity, 1 January 2023</b>	115	-1	-62	133	806	991	153	1,144
<i>Other comprehensive income:</i>								
Foreign exchange adjustment, foreign companies			-9			-9		-9
Value adjustment of hedging instruments:						0		0
Value adjustment for the period				26		26		26
Tax on other comprehensive income				-8		-8		-8
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-9</b>	<b>18</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>9</b>
Net result					25	25	3	28
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-9</b>	<b>18</b>	<b>25</b>	<b>34</b>	<b>3</b>	<b>37</b>
Deferred hedge gains and losses transferred to inventory, net of tax				-6		-6		-6
<i>Transactions with owners:</i>								
Purchase of treasury shares		-5				-5		-5
<b>Total transactions with owners in Q1 2023</b>	<b>0</b>	<b>-5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>0</b>	<b>-5</b>
<b>Equity, 31 March 2023</b>	<b>115</b>	<b>-6</b>	<b>-71</b>	<b>145</b>	<b>831</b>	<b>1,014</b>	<b>156</b>	<b>1,170</b>



# Notes

## 1 Material accounting policy information

### Accounting policies and new standards and interpretations

This condensed consolidated interim financial report for the period 1 January – 31 March 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 31 March 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 31 March 2024, NKT has issued guarantees with a value of EUR 1,917m (EUR 1,901m at 31 December 2023), none of which are currently expected to materialize.

### Agreement to divest NKT Photonics

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.

In July 2023, the Purchaser refiled its application to have the transaction approved in Denmark under the Danish Investment Screening Act. In May 2024, the Danish Business Authority granted authorisation to the Purchaser for the transaction to proceed. NKT expects the transaction to be completed during Q2 2024.

NKT Photonics is presented as discontinued operations and assets held for sale in this report.

### 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 – 31 March 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
<b>Q1 2024</b>						
<b>Income statement</b>						
Goods <sup>1)</sup>	9	278	35	0	-12	310
Services etc. <sup>2)</sup>	7	0	2	0	-2	7
Construction contracts <sup>3)</sup>	352	0	37	0	-2	387
<b>Revenue (market prices)</b>	<b>368</b>	<b>278</b>	<b>74</b>	<b>0</b>	<b>-16</b>	<b>704</b>
Adjustment of market prices to std. metal prices	-47	-125	0	0	2	-170
<b>Revenue (std. metal prices)<sup>3)</sup></b>	<b>321</b>	<b>153</b>	<b>74</b>	<b>0</b>	<b>-14</b>	<b>534</b>
Costs and other income, net (excl. one-off items)	-316	-262	-68	1	16	-629
<b>Operational EBITDA</b>	<b>52</b>	<b>16</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>75</b>
Depreciation, amortization and impairment	-18	-3	-1	0	0	-22
<b>EBIT</b>	<b>34</b>	<b>13</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>53</b>
<b>Working capital</b>	<b>-780</b>	<b>61</b>	<b>37</b>	<b>15</b>	<b>0</b>	<b>-667</b>
<b>Reconciliation to net result</b>						
<b>Operational EBITDA</b>						<b>75</b>
One-off items						0
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>						<b>75</b>
Depreciation, amortization and impairment						-22
<b>Earnings before interest and tax (EBIT)</b>						<b>53</b>
Financial items, net						8
<b>Earnings before tax (EBT)</b>						<b>61</b>
Tax						-13
<b>Net result - continuing operations</b>						<b>48</b>
Net result - discontinued operations						-3
<b>Net result</b>						<b>45</b>

<sup>1)</sup> Revenue recognized at a point in time

<sup>2)</sup> Revenue recognized over time

<sup>3)</sup> Refer to Definitions





# Notes

## 2 Segment reporting

Amounts in EURm	Solutions	Applications	Service & Accessories	Non allocated	Inter-segment transaction	NKT
<b>Q1 2023</b>						
<b>Income statement</b>						
Goods <sup>1)</sup>	13	295	39	0	-9	338
Services etc. <sup>2)</sup>	3	0	2	0	0	5
Construction contracts <sup>3)</sup>	236	0	7	0	4	247
<b>Revenue (market prices)</b>	<b>252</b>	<b>295</b>	<b>48</b>	<b>0</b>	<b>-5</b>	<b>590</b>
Adjustment of market prices to std. metal prices	-37	-131	0	0	0	-168
<b>Revenue (std. metal prices)<sup>3)</sup></b>	<b>215</b>	<b>164</b>	<b>48</b>	<b>0</b>	<b>-5</b>	<b>422</b>
Costs and other income, net (excl. one-off items)	-217	-277	-44	0	5	-533
<b>Operational EBITDA</b>	<b>35</b>	<b>18</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>57</b>
Depreciation, amortization and impairment	-17	-4	-1	0	0	-22
<b>EBIT</b>	<b>18</b>	<b>14</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>35</b>
<b>Working capital</b>	<b>-330</b>	<b>115</b>	<b>37</b>	<b>19</b>	<b>0</b>	<b>-159</b>
<b>Reconciliation to net result</b>						
<b>Operational EBITDA</b>						<b>57</b>
One-off items						0
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>						<b>57</b>
Depreciation, amortization and impairment						-22
<b>Earnings before interest and tax (EBIT)</b>						<b>35</b>
Financial items, net						4
<b>Earnings before tax (EBT)</b>						<b>39</b>
Tax						-9
<b>Net result - continuing operations</b>						<b>30</b>
Net result - discontinued operations						-2
<b>Net result</b>						<b>28</b>

<sup>1)</sup> Revenue recognized at a point in time.

<sup>2)</sup> Revenue recognized over time.

<sup>3)</sup> Refer to Definitions.



# Notes

## 3 Net interest-bearing debt and working capital

Amounts in EURm	Q1 2024	Q1 2023	Year 2023
<b>Net interest-bearing debt</b>			
Borrowings, non-current - continuing operations	194	172	196
Borrowings, non-current - classified as held for sale	10	9	10
Borrowings, current - continuing operations	13	16	11
Borrowings, current - classified as held for sale	2	2	2
Interest-bearing receivables - continuing operations	0	0	0
Interest-bearing receivables - classified as held for sale	0	0	0
Cash and cash equivalents - continuing operations	-858	-144	-888
Cash and cash equivalents - classified as held for sale	-3	-5	-2
<b>Net interest-bearing debt</b>	<b>-642</b>	<b>50</b>	<b>-671</b>
<b>Working capital</b>			
Inventories	321	320	311
Trade and other receivables	418	353	340
Derivative financial instruments	230	292	185
Contract assets	106	118	107
Income tax receivable	14	3	15
Trade payables	-404	-364	-364
Other liabilities	-156	-140	-145
Derivative financial instruments	-140	-95	-94
Contract liabilities	-1,001	-637	-1,037
Income tax payable	-55	-9	-27
<b>Working capital</b>	<b>-667</b>	<b>-159</b>	<b>-709</b>

Amounts in EURm	Q1 2024	Q1 2023	Year 2023
<b>Reconciliation to change in working capital in cash flow</b>			
Working capital 1 January	-709	-303	-303
Working capital end of period	-667	-159	-709
<b>Change in working capital based on balance sheet</b>	<b>42</b>	<b>144</b>	<b>-406</b>
Effect of unrealized hedges reported on Equity	-9	-18	87
Effect of changes in current tax	29	0	6
Effect of changes in exchange rates, etc.	-20	-4	-7
<b>Change in working capital based on cash flow statement</b>	<b>42</b>	<b>122</b>	<b>-320</b>

# Notes

## 4 Discontinued operations and assets held for sale

### Discontinued operations and assets held for sale

NKT Photonics is classified as Discontinued operations and information on discontinued operations and assets held for sale below solely relates to NKT Photonics. No one-off items were recognized for discontinued operations in Q1 2024 and Q1 2023.

Amounts in EURm	Q1 2024	Q1 2023	Year 2023
<b>Profit for the year – discontinued operations</b>			
Revenue	16	17	88
Costs and other income, net	-21	-20	-81
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>-5</b>	<b>-3</b>	<b>7</b>
Depreciation, amortization and impairment	0	0	0
<b>Earnings before interest and tax (EBIT)</b>	<b>-5</b>	<b>-3</b>	<b>7</b>
Financial items, net	0	0	-1
<b>Earnings before tax (EBT)</b>	<b>-5</b>	<b>-3</b>	<b>6</b>
Tax	2	1	-1
<b>Net result - discontinued operations</b>	<b>-3</b>	<b>-2</b>	<b>5</b>
NKT <sup>1</sup> share hereof	-3	-2	5
Basic earnings - discontinued operations, EUR, per share (EPS)	-0.1	0.0	0.1
Diluted earnings - discontinued operations, EUR, per share (EPS-D)	-0.1	0.0	0.1

Amounts in EURm	Q1 2024	Q1 2023	Year 2023
<b>Cash flows from discontinued operations</b>			
Cash flow from operating activities	-3	4	4
Cash flow from investing activities	-3	-4	-15
Cash flow from financing activities	6	3	10
<b>Net cash flow from discontinued operations</b>	<b>0</b>	<b>3</b>	<b>-1</b>
<b>Balance sheet items comprise</b>			
Non-current assets	122	105	119
Current assets	53	56	58
<b>Assets held for sale</b>	<b>175</b>	<b>161</b>	<b>177</b>
Non-current liabilities	18	13	18
Current liabilities	15	19	20
<b>Liabilities associated with assets held for sale</b>	<b>33</b>	<b>32</b>	<b>38</b>

## 5 Events after the balance sheet date

As announced on 6 May 2024, the Danish Business Authorities have approved the divestment of NKT Photonics to Photonics Management Europe S.R.L, a 100% owned subsidiary of Hamamatsu Photonics K.K, Japan. NKT expects the transaction to be completed within Q2 2024.

## 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 amortization (Oper. EBITDA)** – Earnings before interest, tax, depreciation and amortization (EBITDA) excluding one-off items.

7. **Net interest-bearing debt** – Cash and interest-bearing receivables less interest-bearing debt. Hybrid capital is not included in net interest-bearing debt.
8. **Capital employed** – Equity plus net interest-bearing debt.
9. **Working capital** – Current assets minus current liabilities (excluding interest-bearing items and provisions).
10. **Gearing** – Net interest-bearing debt as a percentage of equity.
11. **Net interest-bearing debt relative to operational EBITDA** – Calculated as net interest-bearing debt as defined in point 8 relative to operational EBITDA for continuing operations as defined in point 6.
12. **Solvency ratio (equity as a percentage of total assets)** – Equity including hybrid capital as a percentage of total assets.
13. **Return on capital employed (RoCE)** – Operational EBIT for continuing operations as a percentage of average of the last five quarters of capital employed for continuing operations.
14. **Equity value, EUR per outstanding share** – Equity attributable to equity holders of NKT A/S per outstanding share at 31 December. Dilution effect of outstanding share programmes is excluded.
15. **Free cash flow** – Cash flow from operating and investing activities.
16. **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 Q1 2024 was published on 8 May 2024 and released through Nasdaq Copenhagen. The report is also available at [investors.nkt.com](https://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 – 31 March 2024.

The Interim Report for the period 1 January – 31 March 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 31 March 2024 and the results of the Group's activities and cash flow for the period 1 January – 31 March 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, 8 May 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

Christian Dyhr\*

Stig Nissen Knudsen\*

Karla Lindahl

Andreas Nauen

Pernille Blume Simonsen\*

Anne Vedel

\* Employee-elected member

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NKT is signatory to:



Science Based Targets initiative.



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



Europacable Industry Charter.  
A commitment towards  
superior quality.