

Company Announcement

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Announcement No. 11

NKT A/S Annual Report 2024: 26% organic growth and record-high operational EBITDA

NKT CEO Claes Westerlind, on 2024 performance:

- 2024 was a pivotal and eventful year for NKT. We continued to deliver on customer commitments, advanced major expansions, launched new investments, and maintained a strong focus on sustainability. These efforts were achieved alongside delivering robust financial performance and further updating our financial ambitions for 2028. With the acquisition of SolidAI and the divestment of NKT Photonics, we took the final steps to transform NKT into a pure-play power cable solutions provider.

Financial highlights

| EURm | Q4 2024 | Q4 2023 | 2024 | 2023 |
|---------------------------|---------|---------|--------|--------|
| Revenue | 693* | 536* | 2,489* | 1,927* |
| Organic growth | 23% | 40% | 26% | 36% |
| Operational EBITDA | 90 | 63 | 344 | 255 |
| Operational EBITDA margin | 13.0%* | 11.8%* | 13.8%* | 13.2%* |

* Std. metal prices

2025 financial outlook

Revenue (in std. metal prices) is expected to be approximately EUR 2.37-2.52bn, and operational EBITDA is expected to be approximately EUR 330-380m.

The financial outlook is based on several assumptions including:

- Satisfactory execution of high-voltage investments and projects to deliver on expected profitability margins.
- Satisfactory operational execution across business lines.
- Stable market conditions for Applications and Service & Accessories.
- Normalized offshore power cable repair work activity.
- Stable supply chain with limited disruptions and access to the required labour, materials, and services.
- Stable development in the global economy, foreign currency, and metal prices.

Growth in revenues and operational EBITDA driven by all three business lines

In 2024, NKT achieved revenue (in std. metal prices) of EUR 2,489m, equalling organic revenue growth of 26% compared to 2023. The higher revenue was driven by all three business lines. Operational EBITDA of EUR 344m in 2024 was the highest annual level in company history and was EUR 89m above 2023. Net result from continuing operations for 2024 amounted to EUR 236m, an increase of EUR 117m compared to 2023. Free cash flow from continuing operations, including acquisitions and divestments, amounted to EUR 400m in 2024 compared to EUR 295m in 2023, leading to net interest-bearing debt of EUR -1,280m at end-2024 relative to EUR -671m at end-2023.

In Solutions, NKT posted organic growth of 39%. This was driven by previous investments to increase capacity and capabilities, as well as satisfactory execution of orders awarded in recent years. Higher revenue and satisfactory project execution led to operational EBITDA increasing to a record-high EUR 252m in 2024 from EUR 182m in 2023.

NKT was awarded a number of high-voltage projects during 2024. This continued ability to add to the order backlog demonstrates NKT's industry-leading high-voltage capabilities. At the end of 2024, the high-voltage order backlog was at a high level of EUR 10.6bn (EUR 9.3bn in std. metal prices). Driven by continued order intake, the backlog was maintained largely in line with the level of EUR 10.8bn by end-2023. In addition, NKT had booking commitments of more than EUR 3.5bn by end-2024.

In 2024, Applications increased revenue by EUR 51m compared to 2023. The increase was driven by the acquisition of SolidAI, which contributed EUR 60m. Organic growth was negative (-2%), impacted by subdued demand in the low-voltage construction-exposed, mainly residential-related segment. Demand in the power distribution grid segment was at a satisfactory level across 2024. Operational EBITDA amounted to EUR 64m, an increase of EUR 5m compared to 2023. The acquisition of SolidAI contributed EUR 5m, while the existing business was largely in line with 2023. Operational EBITDA margin increased to 9.4% in 2024 against 9.2% in 2023.

In 2024, revenue for Service & Accessories increased by EUR 57m compared to 2023. Revenue growth was driven by a good activity level and satisfactory execution in both the onshore and offshore Service business. Revenue in the Accessories business was slightly below 2023. Organic growth amounted to 29%, and Operational EBITDA increased to EUR 25m in 2024, up EUR 6m compared to 2023, corresponding to a margin of 9.7% compared to 9.3% in 2023.

NKT continued to advance its sustainability commitments

The biggest impact NKT has on climate change and decarbonization is through the cable solutions NKT manufactures and installs for its customers. In 2024, NKT continued to advance its commitments under the sustainability pillar of the ReNew BOOST strategy within climate, circularity, health and safety, and diversity. While striving to make progress, NKT also acknowledges a number of challenges that must be addressed to achieve all the targets. In Q4, NKT's long-term net zero target for 2050 was verified and approved by SBTi.

Teleconference

NKT A/S hosts a teleconference for investors and financial analysts at 10:00am CET on 21 February 2025. The presentation to be used during the call will be available before the start of the teleconference. To attend, please register and access on investors.nkt.com.

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