

NKT

Power to life since 1891

Management Review

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Key messages

Q2 2019

The financial results for the NKT A/S group in Q2 2019 were in line with expectations.

Earnings were down for the power cables company, NKT, driven by expected lower activity in Solutions. Tender activity has continued in the high-voltage power cables market, and NKT won a few smaller orders during Q2 2019. In July 2019, NKT was awarded an approx. EUR 90m contract for the Viking Link interconnector project. In Applications, the profitability remained unsatisfactory. In order to accelerate improvements, Applications was reorganized into a full operational value chain with the appointment of a new head of Applications. Service & Accessories delivered satisfactory financial performance, driven by improved Service activity.

NKT Photonics delivered the best quarterly EBITDA recorded outside of the historically high Q4 results. The organic growth of 1% was as expected, and a higher growth rate is expected in 2nd half 2019.

At end-Q2 2019, the net interest-bearing debt, excluding the impact of IFRS 16, decreased slightly to EUR 302m compared to end-Q1 2019. This was in line with expectations and NKT A/S has sufficient financial headroom to manage the lower level of activity expected in 2019.

As previously announced Alexander Kara assumed the position as CEO of NKT A/S on 1 August 2019.

2019 financial outlook

The financial outlooks for NKT and NKT Photonics are unchanged from Company Announcement No. 2 of 28 February 2019.

For NKT, revenue (std. metal prices) is still expected to be approx. EUR 0.9–1.0bn. The operational EBITDA is still expected to be approx. EUR 10–30m.

For NKT Photonics, revenue is still expected to grow by approx. 15–20% organically. The EBITDA margin is still expected to increase to approx. 15–20%.

Amounts in EURm	NKT				NKT Photonics			
	Q2 2019	Q2 2018	1st half 2019	1st half 2018	Q2 2019	Q2 2018	1st half 2019	1st half 2018
Revenue	337.8	407.2	617.6	758.3	17.9	17.6	32.4	30.0
Revenue in std. metal prices	245.0	306.4	450.4	560.9	17.9	17.6	32.4	30.0
Organic growth	-17%	12%	-17%	10%	1%	25%	7%	22%
Operational EBITDA	9.4	32.1	7.0	52.5	3.9	1.0	3.5	-0.5
Operational EBITDA margin*	3.8%	10.5%	1.6%	9.4%	21.7%	5.7%	10.8%	-1.7%
Working capital			4.0	14.8			26.9	22.5
Working capital % of revenue, LTM			1.4%	-1.7%			34.5%	31.4%
RoCE**			-5.1%	4.1%			5.1%	-3.2%

* Std. metal prices

** RoCE is calculated on operational EBIT, LTM, as a percentage of average capital employed, as defined in Note 5 on page 26

NKT

245.0m

Revenue (std. metal prices), EUR

Down from EUR 306.4m in Q2 2018. The decrease was due mainly to the expected reduced activity in Solutions and partly to the divestment of the railway activities in February 2019

-17%

Organic growth

This reflected organic growth of -29% in Solutions, -8% in Applications and 9% in Service & Accessories

9.4m

Operational EBITDA, EUR

Down from EUR 32.1m in Q2 2018. This was in line with expectations due to the reduced activity level in Solutions

1.05bn

High-voltage order backlog, EUR

Largely on par with end-Q1 2019. In Q2 2019, NKT was awarded the high-voltage turnkey project to connect the Johan Sverdrup 2 and Gina Krog offshore platforms in Norway



17.9m

Revenue, EUR

Up from EUR 17.6m in Q2 2018. The Imaging & Metrology and Sensing & Energy segments were the growth contributors

1%

Organic growth

As expected, growth slowed against Q1 2019, but is expected to increase in 2nd half 2019

3.9m

EBITDA, EUR

Up from EUR 1.0m in Q2 2018 and the best quarterly result outside of the historically high Q4 results. This was driven by improved project profitability and effective cost containment

4%

Order intake growth

Continued growth despite a strong comparison period. The value of orders received exceeded revenues in the quarter and will support future growth



Financial review

The financial performance in Q2 2019 was as expected impacted by the reduced activity in Solutions. This led to negative organic growth and lower profitability compared to Q2 2018. NKT generated positive free cash flow driven by positive development in working capital.

Revenue impacted by reduced activity in Solutions

In Q2 2019, the revenue* amounted to EUR 245.0m, down by EUR 61.4m from Q2 2018. This was mainly due to the reduced activity level in Solutions. The depreciation of SEK compared to EUR and the divestment of the railway activities in February 2019 also impacted revenue negatively. The organic growth in Q2 2019 was -17%.

The 1st half 2019 revenue* totalled EUR 450.4m, against EUR 560.9m in the same period in 2018. The organic growth in 1st half 2019 was -17% mainly due to lower revenue in Solutions.

The revenue measured in market prices was EUR 337.8m in Q2 2019, against EUR 407.2m in Q2 2018.

Operational EBITDA lower than Q2 2018 as expected

The reduced level of activity in Solutions led to a decrease in operational EBITDA, from EUR 32.1m in Q2 2018 to EUR 9.4m in Q2 2019.

The implementation of IFRS 16 increased operational EBITDA by EUR 1.1m in Q2 2019 compared to Q2 2018.

The Q2 2019 operational EBITDA margin* was 3.8%, against 10.5% for Q2 2018. The LTM operational EBITDA margin* was 2.5%, a decrease of 2.1%-points from end-Q1 2019.

The operational EBITDA for 1st half 2019 was EUR 7.0m, compared to EUR 52.5m in 1st half 2018, primarily due to the expected lower profitability in Solutions.

The total one-off items amounted to EUR -3.9m in Q2 2019. The costs related to strategic initiatives, primarily to improve production efficiency and staff reductions.

Key financials

Amounts in EURm	Q2 2019	Q2 2018	1st half 2019	1st half 2018	FY 2018
Income statement					
Revenue	337.8	407.2	617.6	758.3	1,434.6
Revenue in std. metal prices	245.0	306.4	450.4	560.9	1,080.1
Operational EBITDA	9.4	32.1	7.0	52.5	70.2
EBITDA	5.5	24.6	6.1	41.9	40.8
Depreciations and amortizations	-20.3	-19.3	-40.9	-39.1	-79.4
Operational EBIT	-10.9	12.8	-33.9	13.4	-9.2
EBIT	-14.8	5.3	-34.8	2.8	-38.6
Financial items, net	-1.7	-1.8	-3.5	-3.7	-7.7
EBT	-16.5	3.5	-38.3	-0.9	-46.3
Tax	0.3	-1.0	5.3	0.9	-2.0
Net result	-16.2	2.5	-33.0	0.0	-48.3
Cash flow					
Cash flow from operating activities	19.3	39.8	-32.5	-92.0	-46.3
Cash flow from investing activities excl. acq. & div.	-16.7	-10.9	-23.1	-19.6	-49.1
Free cash flow	2.6	28.9	-55.6	-111.6	-95.4
Balance sheet					
Capital employed	1,083.5	1,104.3	1,083.5	1,104.3	1,065.3
Working capital	4.0	14.8	4.0	14.8	-16.2
Financial ratios and employees					
Organic growth	-17%	12%	-17%	10%	0%
Operational EBITDA margin*	3.8%	10.5%	1.6%	9.4%	6.5%
RoCE	-5.1%	4.1%	-5.1%	4.1%	-0.8%
Full-time employees, end of period	3,275	3,452	3,275	3,452	3,419

* Std. metal prices

In February 2019, NKT launched a cost programme to reduce staff costs and general spend. So far NKT has reduced its white-collar organization by 60 employees compared to the communicated target of around 130 employees, and decreased general spend.

In Q2 2019, EBIT amounted to EUR -14.8m, against EUR 5.3m in Q2 2018, negatively impacted by the operational EBITDA. The net result was EUR -16.2m in Q2 2019, with a low tax rate due to uncapitalized tax assets.

Working capital improved by EUR 21m during Q2 2019

Driven by favourable development in Solutions and Applications, working capital decreased from EUR 24.8m at end-Q1 2019 to EUR 4.0m at end-Q2 2019. In Solutions, this was primarily driven by timing of milestone payments on projects in the order backlog. In Applications, the working capital improved after it was built up towards end-Q1 2019.

The working capital ratio, LTM, was 1.4% at the end-Q2 2019, against 1.7% at end-Q1 2019.

Positive free cash flow

NKT generated positive free cash flow of EUR 2.6m in Q2 2019, primarily through the improved working capital position which drove cash flow from operating activities to EUR 19.3m. This amount more than offset the cash flow from investing activities, excluding acquisitions and divestments, of EUR -16.7m. In Q2 2019, NKT invested in upgrade of equipment in Solutions.

RoCE down due to reduced earnings

The lower rolling 12 months' earnings level led to a reduction in RoCE from -2.9% at end-Q1 2019 to -5.1% at end-Q2 2019.

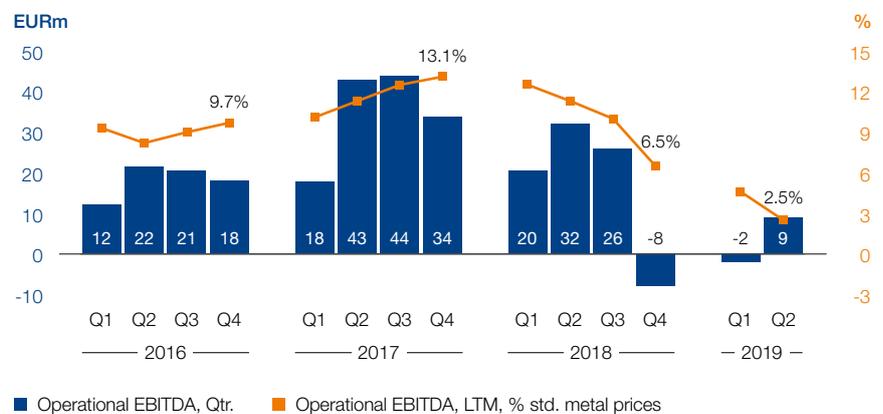
Revenue development and organic growth

Amounts in EURm

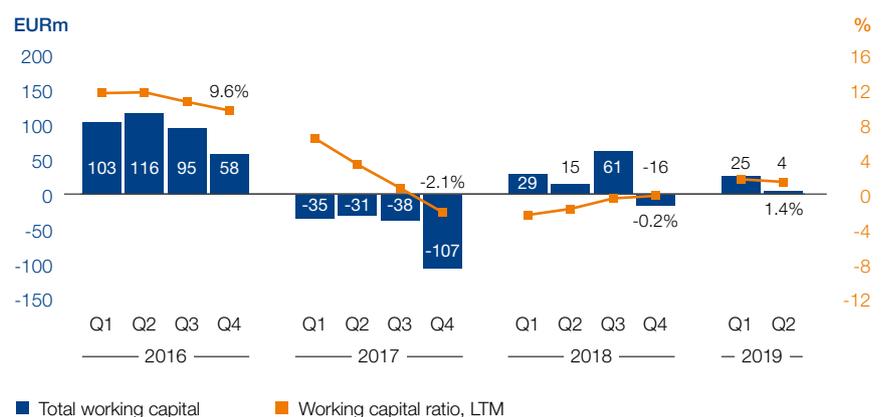
Q2 2018 revenue*	306.4
Currency effect	-3.2
Acquisitions	0.0
Divestments and reclassifications	-6.3
Q2 2018 adjusted revenue*	296.9
Organic growth	-51.9
Q2 2019 revenue*	245.0
Organic growth, %	-17%

* Std. metal prices

Operational EBITDA



Working capital



Business Lines

Q2 2019 Reviews

The segment reporting structure for NKT comprises three business lines:

Solutions

This business line provides a broad range of both AC and DC high-voltage power cable solutions for onshore and offshore purposes. Supported by its own cable-laying vessel, NKT Victoria, NKT can offer customers end-to-end turnkey solutions including full installation services.

Applications

The Applications business line offers a wide selection of low- and medium-voltage power cables. NKT markets high-quality products that conform to regulatory requirements for flame-retardant materials and has developed ergonomic solutions. Telecom power cables are also developed and marketed.

Service & Accessories

Business line focusing on asset management services for onshore and offshore power cables. In addition, a full portfolio of accessories is offered across the high- and medium-voltage power cable categories.

Business review – Solutions

111m

Revenue*, EUR
(Q2 2018: EUR 161m)

-29%

Organic growth
(Q2 2018: 12%)

4.3m

Operational EBITDA, EUR
(Q2 2018: EUR 26.1m)

Highlights – Solutions

- Q2 2019 financial development in line with expectations
- Continued tender activity in the high-voltage power cable market
- After the balance sheet date, NKT was awarded an approx. EUR 90m contract for the Viking Link interconnector project.

Revenue in line with expectations

The revenue* in Q2 2019 was lower than the same period last year, which mainly reflected the reduced level of activity at the factory in Karlskrona. The revenue development was in line with expectations, given the composition of the order backlog following the relatively low number of high-voltage projects received by NKT and awarded in the market during 2017 and 2018.

The revenue* in 1st half 2019 amounted to EUR 203.2m, compared to EUR 300.4m in 1st half 2018. The organic growth in 1st half 2019 was -29%.

The Q2 2019 revenue measured in market prices was EUR 129.9m, compared to EUR 178.9m in the same period last year.

Operational EBITDA impacted by reduced activity

In Q2 2019, NKT delivered satisfactory execution on the various production and installation projects in the order backlog.

The pull-in of the Nordlink offshore power cable in northern Germany was successfully completed in June 2019. The next phase of the project will be the installation of the onshore power cable to the converter station in Wilster, Germany. The project will connect the Norwegian and German power grids.

Progress continued on the Caithness Moray project as the power cables were taken into operation, and project completion is expected in 2nd half 2019. The new link will improve the energy infrastructure by transmitting power from renewable energy sources between the northern and remaining parts of Scotland.

NKT Victoria, the company's cable laying vessel, registered satisfactory utilization in Q2 2019. The vessel was deployed on installation and offshore works in northern Europe.

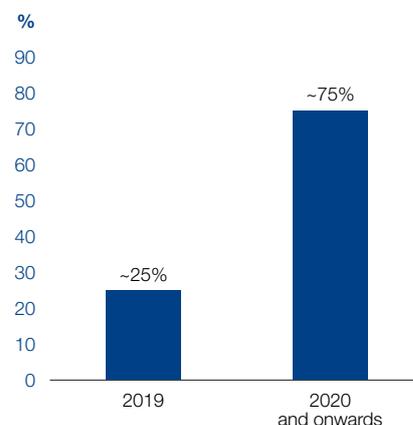
The AC onshore market remained challenging during Q2 2019, with imbalance between supply and demand. The supply situation is undergoing changes, with some market players reducing capacity and introducing cost programmes.

In 1st half 2019, the operational EBITDA amounted to EUR 4.7m, compared to EUR 44.8m in the same period of 2018.

Order backlog EUR 1.05bn

The largest order received by NKT in Q2 2019 was the high-voltage turnkey project to connect the Johan Sverdrup 2 and Gina Krog oil and gas platforms in Norway. The order value is approx. EUR 29m in market prices (approx. EUR 25m in std. metal prices) and was awarded by Equinor.

Expected revenue distribution of high-voltage order backlog (EUR 1.05bn) at end-Q2 2019



* Std. metal prices

At the end of Q2 2019, the high-voltage order backlog totalled EUR 1.05bn (EUR 0.94bn in std. metal prices), which was largely on par with end-Q1 2019. It is estimated that around 25% of the backlog will be realized in 2nd half 2019 and the remaining approximately 75% in 2020 and beyond.

In July 2019, NKT was awarded an approx. EUR 90m (approx. EUR 75m in std. metal prices) contract for the Viking Link interconnector project between Denmark and UK. The contract comprises supply of approx. 150 km of 525 kV MI high-voltage DC onshore power cables.

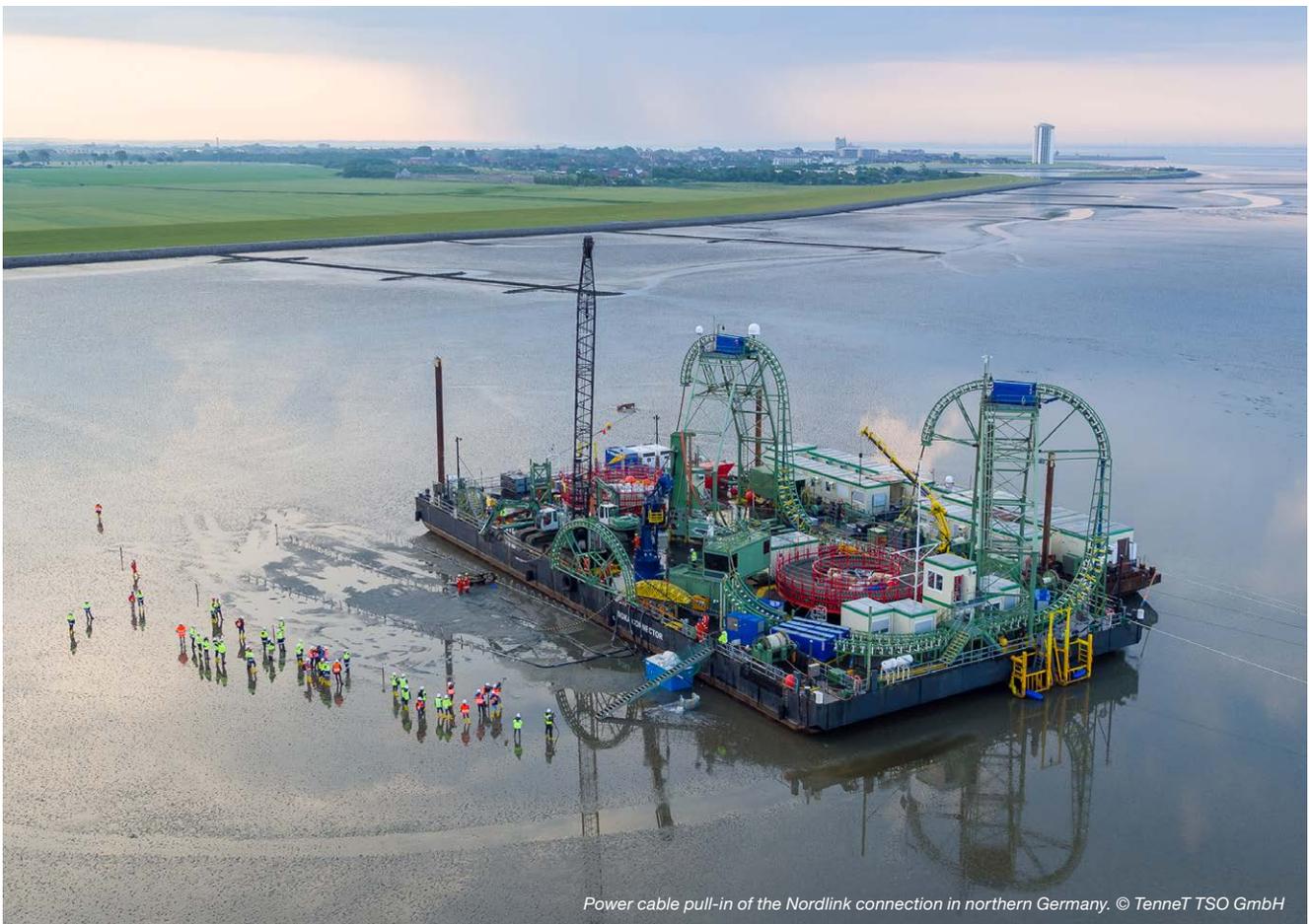
Continued tender activity

During 1st half 2019, a moderate number of projects were awarded in the market for high-voltage power cables, and only a few of them were of significant value. NKT won a few smaller orders. The value of high-voltage project awards in the market including Viking Link is expected to increase in 2nd half compared to 1st half 2019.

Progress continued on several tenders across geographies and market segments. The main financial impact of the potential project awards will be realized from 2020 and beyond.

The timing will depend on the timelines for the individual projects. To achieve optimal production and installation flow and thereby improve earnings, NKT requires high utilization of capacity across all production lines and installation phases.

While the timing of future project awards is subject to uncertainty, particularly in the interconnector market, the anticipated project awards are expected to make the supply and demand situation for power cable manufacturers more favourable.



Power cable pull-in of the Nordlink connection in northern Germany. © TenneT TSO GmbH

Business review

– Applications

106m

Revenue*, EUR
(Q2 2018: EUR 115m)

-8%

Organic growth
(Q2 2018: 11%)

2.0m

Operational EBITDA, EUR
(Q2 2018: EUR 4.5m)

Highlights – Applications

- Unsatisfactory profitability in Q2 2019
- Mixed geographical sales performance, with growth contribution from Czech Republic and Germany
- New management appointed to accelerate improvements

Revenue growth down against strong comparison period

The Q2 2019 revenue* for Applications was down 8% organically compared to last year, when Q2 was the strongest quarter with 11% organic growth. Foreign currency changes, especially the depreciation of SEK against EUR, impacted revenue negatively in Q2 2019.

The revenue* in 1st half 2019 amounted to EUR 197.8m, against EUR 206.8m in 1st half 2018. The organic growth for 1st half 2019 was -3%.

Expressed in market prices, the revenue amounted to EUR 181.8m in Q2 2019, against EUR 192.3m in Q2 2018.

Operational EBITDA impacted by lower revenue

The reduction in revenue meant that operational EBITDA in Q2 2019 decreased by EUR 2.5m compared to Q2 last year. The earnings level was unsatisfactory, and restoring profitability in Applications remains a main area of focus for NKT in 2019.

The profitability development was driven by improvements across the eastern European sites with signs of higher efficiency, whereas the Scandinavian facilities experienced execution challenges during the period.

NKT continued the implementation of a uniform IT platform across its Scandinavian sites in Q2 2019. As expected, this process has had a slightly negative impact on revenue and earnings in the affected markets, but towards the end of the period the performance improved.

In 1st half 2019, the operational EBITDA amounted to EUR 2.1m, compared to EUR 4.0m in the same period of 2018.

Mixed geographical performance

The organic growth of -8% in Q2 2019 reflected mixed developments across market regions. Overall, the market sentiments were healthy in the northern and eastern European markets.

The primary growth contributors during Q2 2019 were the Czech Republic and Germany with solid performance in the medium-voltage segment. In contrast, the sales in France were down against a strong comparison period in Q2 2018.

The revenue performance in Scandinavia was negative in Q2 2019 against a solid comparison period.

New management

In order to accelerate improvements, Oliver Schlodder, currently head of Service & Accessories, was appointed head of Applications in April 2019. Oliver Schlodder has been with NKT since 2013.

As part of this reorganization, the Applications business line will also include manufacturing and supply chain responsibilities in the low- and medium-voltage segments. This setup aims to ensure control of the full operational value chain at the appropriate organizational level.

* Std. metal prices

Business review

– Service & Accessories

32m

Revenue*, EUR
(Q2 2018: EUR 37m)

9%

Organic growth
(Q2 2018: 19%)

4.6m

Operational EBITDA, EUR
(Q2 2018: EUR 3.8m)

Highlights – Service & Accessories

- Satisfactory financial performance in Q2 2019
- Improved Service activity driven by offshore cable repair
- Continued medium-voltage growth in Accessories

Underlying revenue development positive

The Q2 2019 revenue* for Service & Accessories decreased compared to the same period last year, when the divested railway activities contributed EUR 6.9m. The organic Q2 2019 development was positive by 9% driven by both the Service and the Accessories segments.

The revenue* in 1st half 2019 amounted to EUR 57.5m, against EUR 67.3m in 1st half 2018. The divested railway activities recorded revenue of EUR 11.8m in 1st half 2018. The organic growth in 1st half 2019 was -5%.

The Q2 2019 revenue in market prices amounted to EUR 32.5m, compared to EUR 44.7m in Q2 2018.

EBITDA up compared to Q2 2018

The operational EBITDA for Q2 2019 developed positively against the same period last year, which also included the divested rail activities. The Accessories business demonstrated continued profitability improvement in Q2 following the strong start to 2019. Additionally, Service improved earnings driven by growth in offshore repair work. The operational EBITDA margin* in Q2 2019 was 14.2%, compared to 10.3% in Q2 2018 including the divested railway business.

In 1st half 2019, the operational EBITDA amounted to EUR 6.9m, compared to EUR 9.6m for 1st half 2018.

The profitability performance was satisfactory as fluctuations in earnings and profitability will occur from quarter to quarter, particularly depending on the number of large offshore cable repairs impacting the revenue balance between the Service and Accessories segments.

Service segment growth driven by offshore

In Q2 2019, NKT successfully conducted a sizable offshore power cable repair that positively impacted revenue and earnings. This was the first large offshore repair in 2019.

The performance by NKT in the onshore service business was moderate, but NKT maintained its market position.

NKT is gradually increasing the volume of service contracts that will support further revenue growth going forward.

Growth in medium-voltage accessories

As in Q1 2019, NKT continued to generate solid growth in the Accessories business in Q2 2019 driven by medium-voltage products and particularly based on an improved market presence in the Middle East.

Further opportunities for NKT have been established for the offshore wind segment. NKT has introduced innovative products in the accessories portfolio suitable for this market which is expected to be a growth contributor in the years ahead.

Financial development in the high-voltage segment was below expectations in Q2 2019. This was mainly due to market conditions in the US and Russia. In order to improve growth rates in the coming years, NKT is ramping up its presence in Asia to address expected demand growth in selected Asian countries.

* Std. metal prices





NKT Photonics – Financial & Business review

In Q2 2019, the financial results were in line with expectations. The organic growth was 1%, and a higher growth rate is expected in 2nd half 2019. NKT Photonics achieved its best quarterly EBITDA outside of the historically high Q4 results. The order intake grew 4% in Q2 2019. The amount of orders continued to be higher than absolute revenue in EUR terms supporting future growth.

Revenue up by 0.3m

NKT Photonics generated revenue of EUR 17.9m in Q2 2019, compared to EUR 17.6m in Q2 2018, corresponding to an organic growth of 1%. The slower revenue growth compared to previous quarters was as anticipated, and a higher growth rate is expected in 2nd half 2019.

The 1st half 2019 revenue* amounted to EUR 32.4m, against EUR 30.0m in the same period last year. The organic growth for 1st half 2019 was 7%.

As in Q1 2019, the Imaging & Metrology segment was a key contributor to growth during Q2, with continuing improving performance by supercontinuum white light lasers. In the Sensing & Energy segment, growth was supported by LIOS products. The contributions from each segment will show quarterly fluctuations depending on timing of large projects.

The global photonics market has experienced headwinds in recent quarters, driven mainly by a slowdown in the Chinese industrial market. NKT Photonics has low direct exposure to China and has experienced minor effects.

Stronger EBITDA performance

The EBITDA increased to EUR 3.9m in Q2 2019 from EUR 1.0m in Q2 2018.

This was the best quarterly EBITDA achieved by NKT Photonics outside of the historically high Q4 results.

The growth in EBITDA was driven by improved profitability of certain projects and effective cost containment. In addition, the comparison period in

Revenue development and organic growth

Amounts in EURm

Q2 2018 revenue	17.6
Currency effect	0.2
Acquisitions	0.0
Divestments and reclassifications	0.0
Q2 2018 adjusted revenue	17.8
Organic growth	0.1
Q2 2019 revenue	17.9
Organic growth, %	1%

NKT Photonics EBITDA



Q2 2018 was negatively impacted by non-recurring costs.

The implementation of IFRS 16 increased Q2 2019 EBITDA by EUR 0.6m against Q2 2018.

The EBITDA was EUR 3.5m for 1st half 2019, compared to EUR -0.5m in 1st half 2018. Earnings were up due to higher revenue, improved project profitability and cost focus.

In Q2 2019, EBIT and net result increased by EUR 2.5m and EUR 1.9m, respectively, driven by the improved EBITDA.

Working capital on par with Q1 2019

Working capital for NKT Photonics was EUR 26.9m at end-Q2 2019, on par with the end of the previous quarter. Despite the sequential quarterly increase in revenue, accounts receivables were reduced, which offset inventory build-up ahead of the anticipated sales growth in 2nd half 2019.

Order intake up by 4%

NKT Photonics maintained order momentum during Q2 2019. The level of order intake was higher than revenue and will contribute to future growth. Quarterly order intake can be lumpy depending on the size of project awards.

Key financials

Amounts in EURm	Q2 2019	Q2 2018	1st half 2019	1st half 2018	FY 2018
Income statement					
Revenue	17.9	17.6	32.4	30.0	67.7
EBITDA	3.9	1.0	3.5	-0.5	9.0
Depreciations and amortizations	-2.4	-2.0	-4.6	-3.6	-7.9
EBIT	1.5	-1.0	-1.1	-4.1	1.1
Financial items, net	0.0	0.3	-0.3	0.1	-0.3
EBT	1.5	-0.7	-1.4	-4.0	0.8
Tax	-0.4	-0.1	0.3	0.7	1.2
Net result	1.1	-0.8	-1.1	-3.3	2.0
Cash flow					
Cash flow from operating activities	3.8	-3.4	1.0	-3.4	4.1
Cash flow from investing activities excl. acq. & div.	-4.2	-2.5	-7.4	-3.4	-11.8
Free cash flow	-0.4	-5.9	-6.4	-6.8	-7.7
Balance sheet					
Capital employed	96.7	72.4	96.7	72.4	78.6
Working capital	26.9	22.5	26.9	22.5	24.0
Financial ratios and employees					
Organic growth	1%	25%	7%	22%	16%
EBITDA margin*	21.7%	5.7%	10.8%	-1.7%	13.3%
RoCE	5.1%	-3.2%	5.1%	-3.2%	1.6%
Full-time employees, end of period	367	322	367	322	349

Improved presence in industrials segment

NKT Photonics demonstrated its improving position in the industrial photonics market by launching five new products at LASER World of PHOTONICS in Munich, a leading trade

fair in the field. The products were launched across product lines and will strengthen the company's presence in the industrial market with more cost-efficient solutions to replace traditional manufacturing technology.

Imaging & Metrology

This segment was the main growth driver in Q2 2019. Sales of supercontinuum white light lasers continued to advance in all markets including industrial, semiconductor and life science. The US market especially delivered strong growth as supercontinuum laser sales more than doubled in the region.

Sensing & Energy

NKT Photonics reported moderate growth in Sensing & Energy in Q2 2019. However, the Koheras line of industrial single-frequency lasers and the LIOS range of linear optical sensing systems delivered solid growth. A large part of this growth was generated by the US market. This progress was offset by a slowdown in the optical cable and sensing system installation business.

Material Processing

The development in Material Processing was negative in Q2 2019, primarily due to project postponements. With significant new product releases, improved performance is expected in the coming quarters.

Group financials

Operational EBITDA

During Q2 2019, the NKT A/S group reported operational EBITDA of EUR 13.3m, against EUR 33.1m in Q2 2018. This development was due to the expected reduced profitability in the power cable business, NKT.

The 1st half 2019 operational EBITDA was EUR 10.5m, against EUR 52.0m in 1st half 2018. As in Q2, the decrease was due to lower earnings in NKT. The operational EBITDA, LTM, amounted to EUR 37.8m at end-Q2 2019.

In Q2 2019, EBIT decreased by EUR 17.6m compared to Q2 2018 due to the reduced operational EBITDA.

Financial items and earnings before tax

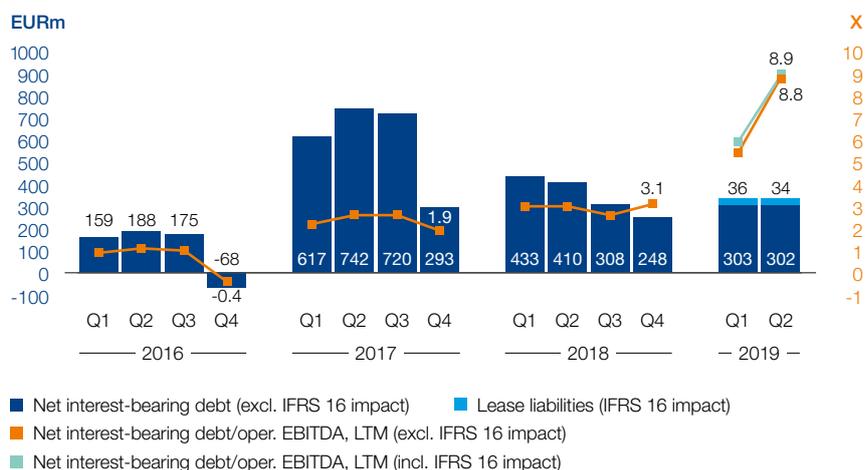
The net financial items in Q2 2019 amounted to EUR -1.7m, against EUR -1.5m in Q2 2018. The financial items primarily consisted of interest costs on debt.

The earnings before tax (EBT) comprised EUR -15.0m in Q2 2019, compared to EUR 2.8m in Q2 2018. This led to the net result moving down from EUR 1.7m in Q2 2018 to EUR -15.1m in Q2 2019.

Cash flow

In Q2 2019, the cash flow from operating activities amounted to EUR 23.1m, against EUR 36.4m in Q2 2018. This reflected the reduction in earnings. The cash flow from investing activities, excluding acquisition and divestment of businesses, was EUR -20.9m in

Net interest-bearing debt



* For the 2017 leverage ratios, pro forma EBITDA for the acquired ABB HV Cables activities has been added to LTM EBITDA in the period when NKT was not the owner of ABB HV Cables. The pro forma EBITDA was based on ABB HV Cables' estimated average annual pro forma EBITDA of EUR 79m for 2014–2016.

Q2 2019, compared to EUR -13.4m in Q2 2018. The higher investment level mainly reflected equipment upgrades necessary to deliver the future high-voltage order backlog.

Liquidity, debt leverage and equity

The net interest-bearing debt, excluding the impact of IFRS 16, amounted to EUR 302.2m at end-Q2 2019. As a result mainly of the positive working capital development, the debt decreased slightly from EUR 303.4m at end-Q1 2019. The net interest-bearing debt, including the impact of IFRS 16, was EUR 336.1m at end-Q2 2019.

At end-Q2 2019, net interest-bearing debt relative to operational EBITDA amounted to 8.8x excluding IFRS 16 impact (8.9x including IFRS 16 impact). This compares to 5.4x at the end of the previous quarter. The development in 1st half 2019 was in line with the anticipated lower profitability level, and NKT A/S has sufficient financial headroom to manage the lower level of activity expected in 2019.

At end-Q2 2019, NKT A/S had total available liquidity reserves of EUR 189.8m, comprising cash of EUR 9.0m and undrawn credit facilities of EUR 180.8m. Group equity, including the hybrid security, amounted to EUR 844m. The solvency ratio was 45%.

Q2 2019 financial development for NKT A/S

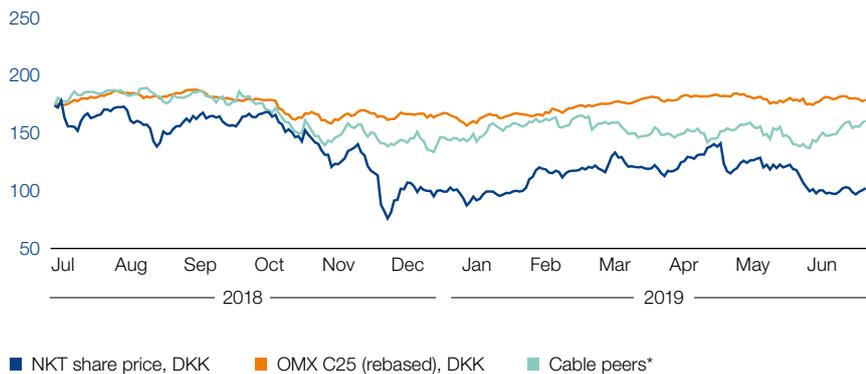
Amounts in EURm	Revenue*			Operational EBITDA			Oper. EBITDA margin*	
	Q2 2019	Q2 2018	Change	Q2 2019	Q2 2018	Change	Q2 2019	Q2 2018
NKT	245.0	306.4	-61.4	9.4	32.1	-22.7	3.8%	10.5%
NKT Photonics	17.9	17.6	0.3	3.9	1.0	2.9	21.7%	5.7%
Elimination	-0.3	0.0	-0.3	0.0	0.0	0.0	-	-
NKT A/S	262.6	324.0	-61.4	13.3	33.1	-19.8	5.1%	10.2%

* Std. metal prices

Shareholder information

NKT Share price

DKK per share



* NKT peers are: Nexans S.A. and Prysmian S.p.A.

NKT A/S shares basic data

ID code: DK0010287663

Listing: Nasdaq Copenhagen, part of the Mid Cap index

Share capital: EUR 73m (DKK 543m)

Number of shares: 27.1 million

Nominal value: DKK 20

Share classes: 1

NKT A/S shares

The average daily turnover in NKT A/S shares on all trading markets was EUR 4m in Q2 2019, compared to EUR 11m in Q2 2018. The average daily trading volume was 283,000 shares in Q2 2019, against 449,000 in Q2 2018. Nasdaq Copenhagen was the main trading market for the company's shares with 59% of the total traded volume in Q2 2019.

At end-Q2 2019, the NKT A/S share price was DKK 100.90, compared to DKK 88.95 at end-2018, a share price return of 13%. The corresponding dividend-adjusted share price returns for the company's largest European competitors, Prysmian and Nexans, were 10% and 23%, respectively. The Danish OMX C25 index, adjusted for dividends, increased by 15% in the 1st half of 2019.

At end-Q2 2019, four NKT A/S investors had reported shareholdings of between 5.00–9.99%: ATP (Denmark), Ferd AS (Norway), Kirkbi INVEST A/S (Denmark), and Nordea Funds Ltd, Danish Branch (Finland).

The total share capital consists of 27,126,369 shares, each with a nominal value of DKK 20, corresponding to a total nominal share capital of EUR 72,822,500 (DKK 542,527,380).

Executive Management in place

On 1 August 2019, Alexander Kara assumed the position as CEO of NKT A/S. Subsequently, Roland M. Andersen stepped down from the position as Interim CEO. Thereby, the executive management team consists of Alexander Kara, CEO, and Roland M. Andersen, CFO.



More shareholder information is available at investors.nkt.com

Financial calendar 2019

21 Nov: Interim Report, Q3 2019

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 2019.

The Interim Report, 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 2019 and the results of the Group's activities and cash flow for the period 1 January – 30 June 2019.

We also find that the Management's review provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period, the general financial position of the Group, and a description of major risks and elements of uncertainty faced by the Group.

Brøndby, 15 August 2019

Executive Management

Alexander Kara
President & CEO

Roland M. Andersen
CFO

Board of Directors

Jens Due Olsen
Chairman

René Svendsen-Tune
Deputy Chairman

Jack Ejlersen*

Stig Nissen Knudsen*

Jens Maaløe

Andreas Nauen

Jutta af Rosenberg

Lars Sandahl Sørensen

Peter Wennevold*

* *Employee-elected member*

Financial Statements

Income statement

Amounts in EURm	Q2 2019	Q2 2018	1st half 2019	1st half 2018	Year 2018
Revenue	355.4	424.7	649.7	788.2	1,501.6
Costs of raw materials, consumables and goods for resale	-232.6	-271.9	-433.0	-526.3	-988.6
Staff costs	-69.8	-74.2	-136.7	-139.8	-277.8
Other costs etc.	-43.6	-53.0	-70.4	-80.7	-185.4
Earnings before interest, tax, depreciation and amortization (EBITDA)	9.4	25.6	9.6	41.4	49.8
Depreciation of property, plant and equipment	-16.0	-16.0	-31.9	-32.4	-66.4
Amortization of intangible assets	-5.3	-5.3	-10.8	-10.3	-20.9
Depreciation of right-of-use assets	-1.4	0.0	-2.8	0.0	0.0
Earnings before interest and tax (EBIT)	-13.3	4.3	-35.9	-1.3	-37.5
Financial items, net	-1.7	-1.5	-3.8	-3.6	-8.0
Earnings before tax (EBT)	-15.0	2.8	-39.7	-4.9	-45.5
Tax	-0.1	-1.1	5.6	1.6	-0.8
Net result	-15.1	1.7	-34.1	-3.3	-46.3
To be distributed as follows:					
Profit attributable to equity holders of NKT A/S	-17.1	1.7	-38.1	-3.3	-48.7
Profit attributable to hybrid capital holders of NKT A/S	2.0	0.0	4.0	0.0	2.4
	-15.1	1.7	-34.1	-3.3	-46.3
Basic & diluted earnings, EUR per outstanding share (EPS)	-0.6	0.1	-1.4	-0.1	-1.8

Cash flow

Amounts in EURm	Q2 2019	Q2 2018	1st half 2019	1st half 2018	Year 2018
Earnings before interest, tax, depreciation and amortization (EBITDA)	9.4	25.6	9.6	41.4	49.8
Profit on sales of non-current assets, use and increase of provisions, and other non-cash items etc.	2.5	-1.2	-4.6	-4.0	-10.8
Changes in working capital	14.7	19.5	-33.2	-115.4	-76.0
Cash flow from operations before financial items, etc.	26.6	43.9	-28.2	-78.0	-37.0
Net financial items paid	-1.8	-1.3	-3.8	-3.6	-8.3
Income tax paid	-1.7	-6.2	0.5	-13.8	3.1
Cash flow from operating activities	23.1	36.4	-31.5	-95.4	-42.2
Acquisition of business	-1.8	0.0	-1.8	0.0	0.0
Divestment of business	0.0	0.0	9.5	0.0	0.0
Investments in property, plant and equipment	-10.7	-4.8	-15.8	-9.7	-28.5
Disposal of property, plant and equipment	0.4	-0.1	1.3	-0.1	1.2
Intangible assets and other investments, net	-10.6	-8.5	-16.0	-13.2	-33.6
Cash flow from investing activities	-22.7	-13.4	-22.8	-23.0	-60.9
Free cash flow	0.4	23.0	-54.3	-118.4	-103.1
Changes in non-current loans from credit institutions	2.6	34.0	37.7	85.3	-64.4
Changes in current loans from credit institutions	-0.4	-75.0	-0.2	0.3	3.5
Repayment of lease liabilities	-1.4	0.0	-2.6	0.0	0.0
Cash from issue of hybrid capital	0.0	0.0	0.0	0.0	148.3
Cash flow from financing activities	0.8	-41.0	34.9	85.6	87.4
Net cash flow	1.2	-18.0	-19.4	-32.8	-15.7
Cash at bank and in hand at the beginning of the period	7.4	30.0	28.2	44.7	44.7
Currency adjustments	0.4	-0.3	0.2	-0.2	-0.8
Net cash flow	1.2	-18.0	-19.4	-32.8	-15.7
Cash at bank and in hand at the end of the period	9.0	11.7	9.0	11.7	28.2

Balance sheet

Amounts in EURm	30 June 2019	30 June 2018	31 December 2018
Assets			
Intangible assets	582.3	571.9	589.2
Property, plant and equipment	615.8	656.2	645.2
Right-of-use assets	33.8	0.0	0.0
Other non-current assets	43.3	57.8	29.7
Total non-current assets	1,275.2	1,285.9	1,264.1
Inventories	229.8	245.7	219.8
Receivables and income tax	381.5	383.0	347.0
Interest-bearing receivables	0.4	0.1	0.1
Cash at bank and in hand	9.0	11.7	28.2
Total current assets	620.7	640.5	595.1
Total assets	1,895.9	1,926.4	1,859.2
Equity and liabilities			
Equity attributable to equity holders of NKT A/S	687.7	767.2	743.2
Hybrid capital	156.4	0.0	152.4
Group equity	844.1	767.2	895.6
Deferred tax	44.4	56.3	46.3
Pension liabilities	49.6	52.8	49.9
Provisions	15.1	23.0	18.5
Lease liabilities	29.4	0.0	0.0
Interest-bearing loans and borrowings	304.5	414.0	268.4
Total non-current liabilities	443.0	546.1	383.1
Lease liabilities	4.5	0.0	0.0
Interest-bearing loans and borrowings	7.1	7.3	8.2
Trade payables, tax and other liabilities	580.4	591.4	559.1
Provisions	16.8	14.4	13.2
Total current liabilities	608.8	613.1	580.5
Total liabilities	1,051.8	1,159.2	963.6
Total equity and liabilities	1,895.9	1,926.4	1,859.2

Comprehensive income and Equity

Amounts in EURm	Q2 2019	Q2 2018	1st half 2019	1st half 2018	Year 2018
Comprehensive income					
Net profit	-15.1	1.7	-34.1	-3.3	-46.3
Other comprehensive income:					
<i>Items that may not be reclassified to income statement:</i>					
Actuarial gains/(losses) on defined benefit pension plans	0.0	0.0	0.0	0.0	1.8
<i>Items that may be reclassified to income statement:</i>					
Currency adjustment of foreign subsidiaries and value adjustment of hedging instruments, etc.	-9.0	-9.4	-17.4	-45.8	-24.5
Total comprehensive income for the period	-24.1	-7.7	-51.5	-49.1	-69.0
Statement of changes in equity					
Group equity, 1 January			895.6	816.3	816.3
Total comprehensive income for the period			-51.5	-49.1	-69.0
Issue of hybrid capital			0.0	0.0	150.0
Costs from issue of hybrid capital			0.0	0.0	-1.7
Group equity at the end of the period			844.1	767.2	895.6

Notes

Note 1 Accounting policies, estimates and risks, etc.

The Interim Report is presented 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.

NKT has implemented the standards and interpretations that became effective for 2019. The implementation of standards and interpretations has only had insignificant effect on recognition and measurement in 2019. Please refer to Note 8.3 on page 129 of the 2018 Annual Report for further details.

Regarding accounting estimates, please refer to Note 1.1 on page 79 of the 2018 Annual Report. Regarding risks, please refer to Note 6.5 on page 118 of the 2018 Annual Report and the information contained in the sections on risk management on page 38 and on page 52 of the 2018 Annual Report.

NKT has adopted IFRS 16 Leases using the modified retrospective method from 1 January 2019, where the right-of-use assets equal the lease liabilities.

The lease liability is measured using the implicit borrowing rate in the contracts or, where this is not available, the marginal borrowing rate in the countries in which NKT operates. The weighted average incremental borrowing rate for lease liabilities initially recognized at January 1, 2019 was 4.5%.

Right-of-use assets are presented separately in the balance sheet. NKT's portfolio of capitalized lease contracts covers leases of land and buildings. Other lease contracts are short-term or immaterial.

In Q2 2019 the implementation of IFRS 16 has increased EBITDA with EUR 1.7m, total assets with EUR 33.8m and net interest-bearing debt with EUR 33.9m. Please refer to Note 4 on page 25.

On 2 April 2014 NKT received a fine of EUR 4m following the investigation conducted by the European Commission into alleged price-fixing activities with regard to high-voltage power cable projects, cf. Company Announcement No. 8 2014. While the European Commission assessed that NKT's role had been substantially limited and the fine was considerably smaller than those imposed on other cable manufacturers, NKT disagrees with the Commission's decision and therefore filed an appeal. The European General Court has rejected all appeals against the decision including NKT's appeal. NKT has initiated a further appeal before the European Court of Justice. As a consequence of the Commission's decision, NKT and other power cable producers face exposure to claims for damages in proceedings brought by customers or other third parties. In line with its appeal against the Commission's decision, NKT contests any civil damages claim that is based on this decision.

According to the regulation for financial statements preparation, the Group Management is required to determine whether the interim statement can be presented on a 'going concern' basis. Based on outlook estimates, including examination of the latest 'forecast 2019', and future cash flow expectations, existence of credit facilities, etc., it is the opinion of the Group Management that there are no factors giving rise to doubt as to whether NKT can continue operating for at least 12 months from the balance sheet date. Information concerning Group cash resources and expectations for 2019 are included in the Management's review.

Note 2 Segment reporting

Amounts in EURm	Q2 2019	Q2 2018	1st half 2019	1st half 2018	Year 2018
Revenue (market prices)					
NKT – Solutions	129.9	178.9	231.6	338.5	640.3
NKT – Applications	181.8	192.3	337.8	355.7	677.4
NKT – Service & Accessories	32.5	44.7	59.4	80.5	154.2
Elimination of transactions between segments	-6.4	-8.7	-11.2	-16.4	-37.3
NKT	337.8	407.2	617.6	758.3	1,434.6
NKT Photonics	17.9	17.6	32.4	30.0	67.7
Elimination of transactions between segments	-0.3	-0.1	-0.3	-0.1	-0.7
NKT A/S	355.4	424.7	649.7	788.2	1,501.6
Revenue (std. metal prices)					
NKT – Solutions	111.0	160.9	203.2	300.4	577.9
NKT – Applications	106.1	115.1	197.8	206.8	400.5
NKT – Service & Accessories	32.4	37.1	57.5	67.3	129.4
Elimination of transactions between segments	-4.5	-6.7	-8.1	-13.6	-27.7
NKT	245.0	306.4	450.4	560.9	1,080.1
NKT Photonics	17.9	17.6	32.4	30.0	67.7
Elimination of transactions between segments	-0.3	0.0	-0.3	0.0	-0.7
NKT A/S	262.6	324.0	482.5	590.9	1,147.1
Operational EBITDA					
NKT – Solutions	4.3	26.1	4.7	44.8	62.9
NKT – Applications	2.0	4.5	2.1	4.0	5.4
NKT – Service & Accessories	4.6	3.8	6.9	9.6	15.7
Non-allocated costs	-1.5	-2.3	-6.7	-5.9	-13.8
NKT	9.4	32.1	7.0	52.5	70.2
NKT Photonics	3.9	1.0	3.5	-0.5	9.0
Elimination of transactions between segments	0.0	0.0	0.0	0.0	0.1
NKT A/S	13.3	33.1	10.5	52.0	79.3
One-off items	-3.9	-7.5	-0.9	-10.6	-29.5
EBITDA					
NKT	5.5	24.6	6.1	41.9	40.8
NKT Photonics	3.9	1.0	3.5	-0.5	9.0
NKT A/S	9.4	25.6	9.6	41.4	49.8

Note 2 Segment reporting – continued

Amounts in EURm	Q2 2019	Q2 2018	1st half 2019	1st half 2018	Year 2018
Operational EBIT					
NKT – Solutions	-11.0	10.6	-26.4	13.1	-0.3
NKT – Applications	-0.7	2.1	-3.4	-0.9	-4.6
NKT – Service & Accessories	3.6	2.8	4.8	7.9	12.0
Non-allocated costs	-2.8	-2.7	-8.9	-6.7	-16.3
NKT	-10.9	12.8	-33.9	13.4	-9.2
NKT Photonics	1.5	-1.0	-1.1	-4.1	1.2
NKT A/S	-9.4	11.8	-35.0	9.3	-8.0
One-off items	-3.9	-7.5	-0.9	-10.6	-29.5
EBIT					
NKT	-14.8	5.3	-34.8	2.8	-38.6
NKT Photonics	1.5	-1.0	-1.1	-4.1	1.1
NKT A/S	-13.3	4.3	-35.9	-1.3	-37.5
Working capital					
NKT – Solutions	-83.3	-65.4	-83.3	-65.4	-108.1
NKT – Applications	52.1	54.6	52.1	54.6	46.4
NKT – Service & Accessories	15.2	13.0	15.2	13.0	9.7
Non-allocated items	20.0	12.6	20.0	12.6	35.8
NKT	4.0	14.8	4.0	14.8	-16.2
NKT Photonics	26.9	22.5	26.9	22.5	24.0
Non-allocated items	0.0	0.0	0.0	0.0	-0.1
NKT A/S	30.9	37.3	30.9	37.3	7.7

Note 3 Net interest-bearing debt and working capital

Amounts in EURm	30 June 2019	30 June 2018	31 December 2018
Net interest-bearing debt			
Lease liabilities, non-current	29.4	0.0	0.0
Interest-bearing loans and borrowings, non-current	304.5	414.0	268.4
Lease liabilities, current	4.5	0.0	0.0
Interest-bearing loans and borrowings, current	7.1	7.3	8.2
Interest-bearing receivables	-0.4	-0.1	-0.1
Cash at bank and in hand	-9.0	-11.7	-28.2
Net interest-bearing debt	336.1	409.5	248.3
Working capital			
Inventories	229.8	245.7	219.8
Receivables and income tax	381.5	383.0	347.0
Trade payables, tax and other liabilities	-580.4	-591.4	-559.1
Working capital	30.9	37.3	7.7

Note 4 IFRS 16

Amounts in EURm	Q2 2019	1st half 2019	30 June 2019		
	Operational EBITDA	Operational EBITDA	Total assets	Net interest- bearing debt	Net interest- bearing debt relative to oper. EBITDA
Reported figures					
NKT	9.4	7.0			
NKT Photonics	3.9	3.5			
NKT A/S	13.3	10.5	1,895.9	336.1	8.9
IFRS 16 impact					
NKT	1.1	2.2			
NKT Photonics	0.6	1.1			
NKT A/S	1.7	3.3	33.8	33.9	
Figures before IFRS 16 impact					
NKT	8.3	4.8			
NKT Photonics	3.3	2.4			
NKT A/S	11.6	7.2	1,862.1	302.2	8.8

Note 5 Definitions

Items below refer to the Financial Highlights contained on page 27.

1. **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.
2. **Organic growth** – Absolute organic sales growth (standard price) as a percentage of prior-year adjusted revenue (standard price). Organic growth is a measure of growth, excluding the impact of exchange adjustments from year-on-year comparisons, and including acquisitions and divestments. For acquisitions a pro forma revenue for the prior year is included in the calculation, and for divestments revenue for the prior year is removed from the calculation.
3. **One-off items** – consist of non-recurring items such as costs for integration, restructuring, severance and other one-time costs.
4. **Operational earnings before interest, tax, depreciation and amortization (Oper. EBITDA)** – Earnings before interest, tax, depreciation and amortization (EBITDA) adjusted for one-off items.
5. **Operational earnings before interest and tax (Oper. EBIT)** – Earnings before interest and tax adjusted for one-off items.
6. **Net interest-bearing debt** – Cash, investments and interest-bearing receivables less interest-bearing debt. Hybrid capital is not included in net interest-bearing debt.
7. **Capital employed** – Group equity plus net interest-bearing debt.
8. **Working capital** – Current assets minus current liabilities (excluding interest-bearing items and provisions).
9. **Net interest-bearing debt relative to operational EBITDA** – Operational EBITDA is calculated on a rolling 12-months basis (LTM). Comparative figures are calculated including discontinued operation.
10. **Solvency ratio (equity as a percentage of total assets)** – Equity incl. hybrid capital and excl. non-controlling interest as a percentage of total assets.
11. **Return on capital employed (RoCE)** – Operational EBIT as a percentage of average capital employed. Calculated on a rolling 12-months basis (LTM). Comparative figures are calculated including discontinued operation.
12. **Earnings, EUR per outstanding share (EPS)** – Earnings attributable to equity holders of NKT A/S relative to average number of outstanding shares.
13. **Equity value, EUR per outstanding share** – Equity attributable to equity holders of NKT A/S per outstanding share at period end. Dilutive effect of warrants plan for Group Management and employees is not included in this ratio.

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 also 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 2019 was published on 15 August 2019 and released through Nasdaq Copenhagen. The report is also available at investors.nkt.com.

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Financial highlights and ratios

Amounts in EURm	Q2 2019	Q2 2018	1st half 2019	1st half 2018	Year 2018
Income statement					
Revenue	355.4	424.7	649.7	788.2	1,501.6
Revenue in std. metal prices ¹⁾	262.6	324.0	482.5	590.9	1,147.1
Operational earnings before interest, tax, depreciation and amortization (Oper. EBITDA) ⁴⁾	13.3	33.1	10.5	52.0	79.3
Earnings before interest, tax, depreciation and amortization (EBITDA)	9.4	25.6	9.6	41.4	49.8
Depreciation and impairment of property, plant and equipment	-16.0	-16.0	-31.9	-32.4	-66.4
Amortization and impairment of intangible assets	-5.3	-5.3	-10.8	-10.3	-20.9
Depreciation of right-of-use assets	-1.4	0.0	-2.8	0.0	0.0
Operational earnings before interest and tax (Oper. EBIT) ⁵⁾	-9.4	11.8	-35.0	9.3	-8.0
Earnings before interest and tax (EBIT)	-13.3	4.3	-35.9	-1.3	-37.5
Financial items, net	-1.7	-1.5	-3.8	-3.6	-8.0
Earnings before tax (EBT)	-15.0	2.8	-39.7	-4.9	-45.5
Net result	-15.1	1.7	-34.1	-3.3	-46.3
Profit attributable to equity holders of NKT A/S	-17.1	1.7	-38.1	-3.3	-48.7
Profit attributable to hybrid capital holders of NKT A/S	2.0	0.0	4.0	0.0	2.4
Cash flow					
Cash flow from operating activities	23.1	36.4	-31.5	-95.4	-42.2
Cash flow from investing activities	-22.7	-13.4	-22.8	-23.0	-60.9
hereof investments in property, plant and equipment	-10.7	-4.8	-15.8	-9.7	-28.5
Free cash flow	0.4	23.0	-54.3	-118.4	-103.1
Balance sheet					
Share capital	72.8	72.8	72.8	72.8	72.8
Equity attributable to equity holders of NKT A/S	687.7	767.2	687.7	767.2	743.2
Hybrid capital	156.4	0.0	156.4	0.0	152.4
Group equity	844.1	767.2	844.1	767.2	895.6
Total assets	1,895.9	1,926.4	1,895.9	1,926.4	1,859.2
Net interest-bearing debt ⁶⁾	336.1	409.5	336.1	409.5	248.3
Capital employed ⁷⁾	1,180.2	1,176.7	1,180.2	1,176.7	1,143.9
Working capital ⁸⁾	30.9	37.3	30.9	37.3	7.7
Financial ratios and employees					
Operational EBITDA margin, continuing operations (std. metal prices)	5.1%	10.2%	2.2%	8.8%	6.9%
Gearing (net interest-bearing debt as % of Group equity)	40%	53%	40%	53%	28%
Net interest-bearing debt relative to operational EBITDA ⁹⁾	8.9	3.0	8.9	3.0	3.1
Solvency ratio (equity as % of total assets) ¹⁰⁾	45%	40%	45%	40%	48%
Return on capital employed (RoCE) (LTM) ¹¹⁾	-4.4%	4.8%	-4.4%	4.8%	-0.7%
Number of DKK 20 shares ('000)	27,126	27,126	27,126	27,126	27,126
Basic & diluted earnings, EUR, per outstanding share (EPS) ¹²⁾	-0.6	0.1	-1.4	-0.1	-1.8
Equity value, EUR per outstanding share ¹³⁾	25	28	25	28	27
Market price, DKK per share	101	175	101	175	89
Average number of employees	3,679	3,724	3,679	3,724	3,744

^{1) - 13)} Definitions appear in Note 5.

Financial highlights and ratios are calculated as defined in the 2018 Annual Report.

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