

Company Announcement

14 November 2024
Announcement No. 34

NKT A/S Interim Report Q1-Q3 2024: 25% organic growth and record-high EBITDA in Q3 2024

NKT CEO Claes Westerlind says:

- In Q3 2024, we continued the execution of the high-voltage order backlog and the ongoing investments across seven of our production sites. This positively impacted the financial performance, where we delivered double-digit revenue growth for the eighth consecutive quarter and record-high quarterly operational EBITDA of EUR 93m despite being impacted by non-recurring costs related to the integration of SolidAI. We are constantly strengthening our market position, and as a pure-play power cable solutions provider, we are with our three business lines well-positioned to benefit from the robust demand driven by the energy transition. This will enhance NKT's value generation towards both customers and shareholders.

Financial highlights

EURm	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Revenue*	657	501	1,796	1,391
Organic growth	25%	44%	27%	35%
Operational EBITDA	93	76	254	191
Operational EBITDA margin*	14.2%	15.3%	14.2%	13.8%

* Std. metal prices

Financial outlook for 2024

The financial outlook for 2024 is maintained, but NKT now expects to conclude the year in the upper end of the ranges. Revenue (in std. metal prices) is expected to be approximately EUR 2.33-2.43bn and operational EBITDA is expected to be approximately EUR 310-345m.

The financial outlook is based on several assumptions, including:

- Satisfactory execution of high-voltage projects
- Stable market conditions in Applications
- Stable supply chain with limited disruptions and access to the required labour, materials, and services

25% organic growth and record-high quarterly operational EBITDA

In Q3 2024, NKT's revenue (in std. metal prices) amounted to EUR 657m, an increase of EUR 156m compared to Q3 2023, which corresponds to 25% organic growth. Previous investments in capacity and capabilities in Solutions, as well as overall satisfactory execution, drove the majority of the growth. Applications contributed with higher revenue driven by the acquisition of SolidAI. Service & Accessories also contributed with higher revenue, primarily driven by a higher activity level in the service business.

Operational EBITDA increased from EUR 76m in Q3 2023 to EUR 93m in Q3 2024, which is the highest quarterly operational EBITDA in company history despite being impacted by non-recurring costs related to the integration of SolidAI. The higher earnings level was primarily driven by previous investments in capacity and capabilities within Solutions while all business lines contributed with higher EBITDA.

At end-Q3 2024, NKT's high-voltage order backlog was EUR 11.0bn. During the quarter, NKT supplemented its high-voltage order backlog with a number of relatively smaller orders, including variation orders to existing projects.

Free cash flow amounted to EUR -134m in Q3 2024 driven by an increased investment level, as expected, associated with the ongoing investments, along with a cash outflow from changes in working capital due to the phasing between milestone payments and project execution in Solutions. At end-Q3 2024, NKT maintained a robust balance sheet, with net interest-bearing debt of EUR -1,136m.

The construction of the new high-voltage factory in Karlskrona progressed in line with schedule during Q3 2024. In November 2024 the slipform casting of the third extrusion tower was completed and the tower reached its full height of 200 meters. NKT is constantly monitoring and managing the various risks and opportunities that occur as part of the investment programme.

NKT commits to reach net-zero greenhouse gas emissions across the value chain by 2050, and in Q4, NKT secured approval from the Science Based Target Initiative on its net-zero target.

Teleconference

NKT A/S hosts a teleconference for investors and financial analysts at 10:00am CEST on 14 November 2024. 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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