

Company Announcement

8 May 2024

Announcement No. 13

NKT A/S Q1 2024 Interim Report: 27% organic growth and investments in Solutions and Applications

NKT CEO Claes Westerlind says:

- We have had a successful start to 2024 with continued growth in revenue and operational EBITDA, driven by satisfactory execution and high utilization of existing and expanded capacity. After another significant project award in Q1, NKT's leading position in the high-voltage 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, which are expected to be value accretive to shareholders.

Financial highlights

| EURm | Q1 2024 | Q1 2023 |
|----------------------------|---------|---------|
| Revenue* | 534 | 422 |
| Organic growth | 27% | 34% |
| Operational EBITDA | 75 | 57 |
| Operational EBITDA margin* | 14.1% | 13.5% |

* Std. metal prices

2024 financial outlook

The financial outlook is 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

Positive development in revenue and operational EBITDA

In Q1 2024, NKT's revenue (in std. metal prices) grew by EUR 112m compared to Q1 2023, corresponding to 27% organic growth. Satisfactory execution in Solutions on existing and expanded capacity was responsible for the majority of growth.

Driven by strong growth in revenue, operational EBITDA increased to EUR 75m in Q1 2024, up by EUR 18m from Q1 2023. The higher earnings level came primarily from Solutions, which made up an incrementally 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.

In Q1 2024, the high-voltage order backlog took another step up to a new record-high level of EUR 11.5bn (EUR 10.1 in std. metal prices). This was driven by the award of two onshore power cable projects by 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, Germany.

To support growing demand for medium-voltage power cables and the ongoing electrification of society, 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. The investments in Solutions and Applications will support NKT's medium-term financial ambitions, including delivering RoCE above 20%.

Teleconference

NKT A/S hosts a teleconference for investors and financial analysts at 10:00am CEST on 8 May 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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