

NKT

**NKT Annual
General Meeting
2018**

NKT

A blue-tinted photograph of a flag with the NKT logo on it, waving against a blue sky. The flag is the central focus, with the NKT logo printed in a lighter shade of blue on its surface. The background is a clear, bright blue sky.

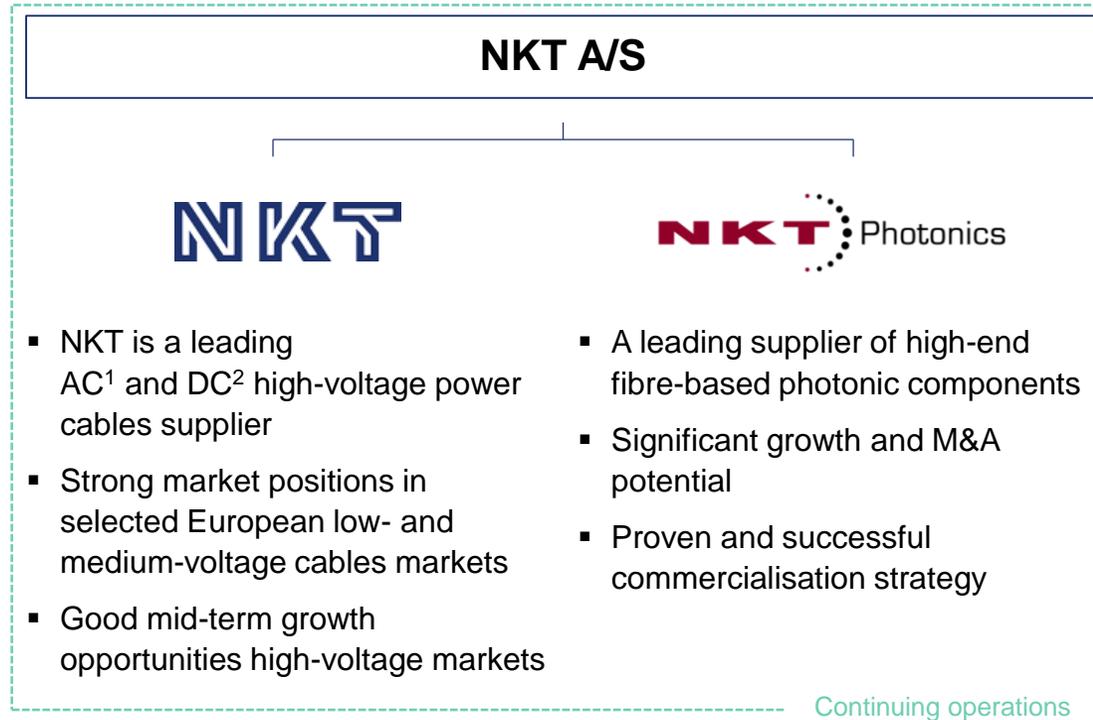
Demerger of Nilfisk completed



Listed entity

Underlying businesses

Key highlights



Nilfisk

Discontinued operation



- A leading global premium supplier of professional cleaning equipment products and services
- Organic growth potential and significant M&A opportunities
- Improved profitability potential
- Strong cash flow

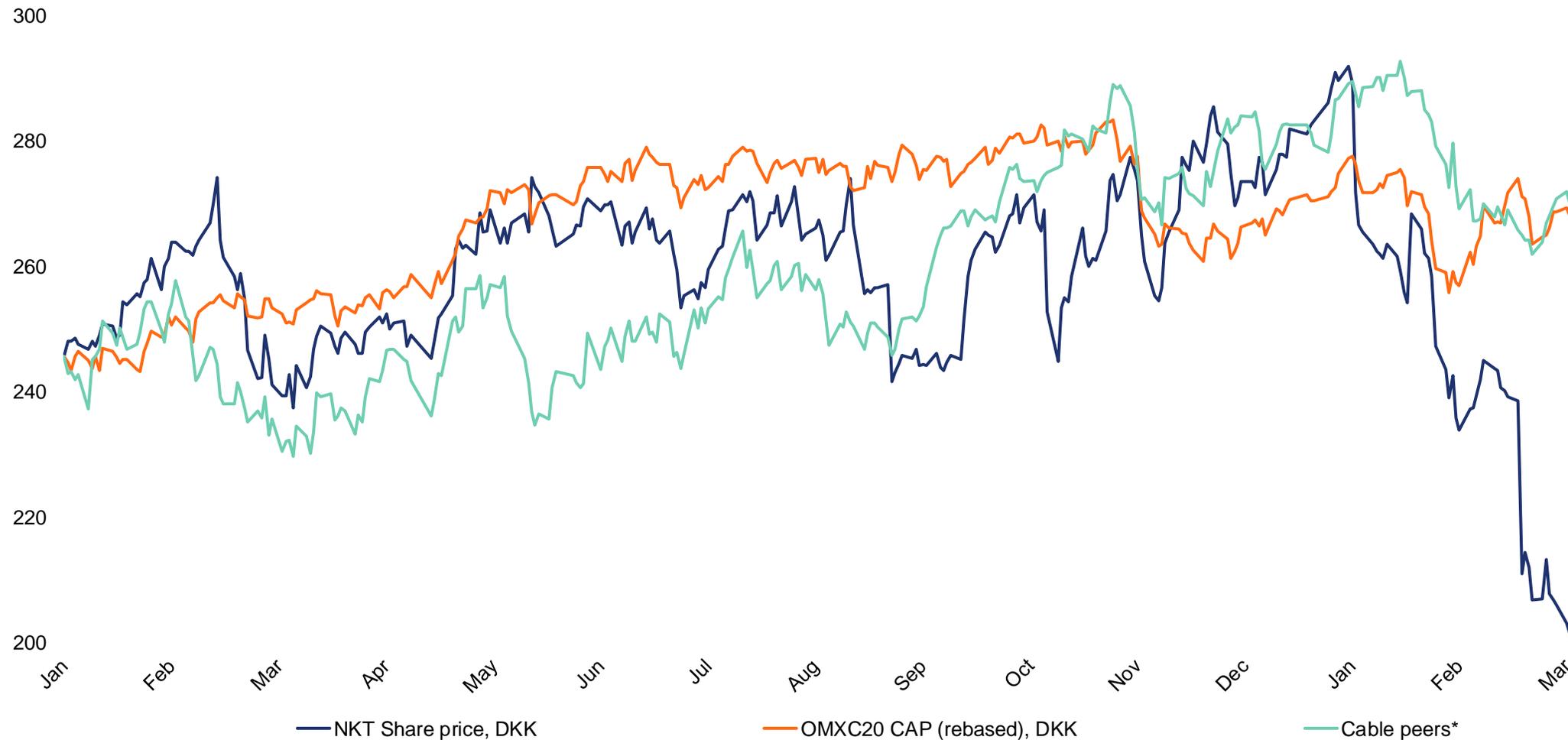
Change of name from NKT Holding A/S to NKT A/S was adopted at the 2017 Annual General Meeting

¹ Alternating current

² Direct current

NKT share development

2017 to mid-March 2018



2017 – a year of significant transformation

Acq. of ABB HV Cables



NKT Victoria



Commercial 640 kV* cable



Acquisition of Onefive



* High-voltage XLPE DC onshore cable

2017 financial results as expected



	Initial**	Adjustment in Q3 2017 report	Realized
<u>NKT</u>			
Revenue (EUR)*	~1.1bn	~1.1bn	1.058bn
Operational EBITDA	~140m	~140m	138.3m
<u>NKT Photonics</u>			
Organic growth	~10%	~10%	7%
Operational EBITDA margin	~15%	~10%	7%

* Std. metal prices

** NKT (incl. acquired ABB HV Cables activities) was provided in Company Announcement No. 8 of 11 April 2017, while NKT Photonics provided it in the 2016 Annual Report

Capital structure

End-2017



Net interest-bearing debt,
EURm



Net interest-bearing debt x
operational EBITDA

2017 development in the cables business

World leading high-voltage power cable company



ABB HV Cables acquired in March 2017

- Full product portfolio in high-voltage on- and offshore with leading AC and DC capabilities
- Premium production sites in Cologne and Karlskrona
- Integration progressed according to plan
- Synergy potential of around EUR 30m still expected to materialise
- Satisfactory performance of the cable-laying vessel NKT Victoria in 2017



Satisfactory financial results in 2017

1.058

Revenue
std. metal prices, EURm

138.3

Operational EBITDA, EURm

13.1%

Operational EBITDA-margin

-106.5

Working capital, EURm

7.5%

RoCE

NKT business areas



	High-voltage				Medium- and low-voltage			Service
	DC offshore	DC onshore	AC offshore	AC onshore	Medium-voltage	Low-voltage	Building-wire	
Geographic scope	Global		Continental		National/regional			Global
Voltage level	Up to 525kV	Up to 640kV	Up to 420kV	Up to 550kV	6 – 72kV	0.3 – 1kV		Up to 640kV

Stable project execution



Order development in the Projects business

Examples of orders on hand



Year	Project name	Type
2019	Kriegers Flak	Offshore wind



Year	Project name	Type
2018	Galloper	Offshore wind
	Walney East & West	Offshore wind
	Hornsea One	Offshore wind
	Caithness Moray	Interconnector



Year	Project name	Type
2018	Rentel	Offshore wind



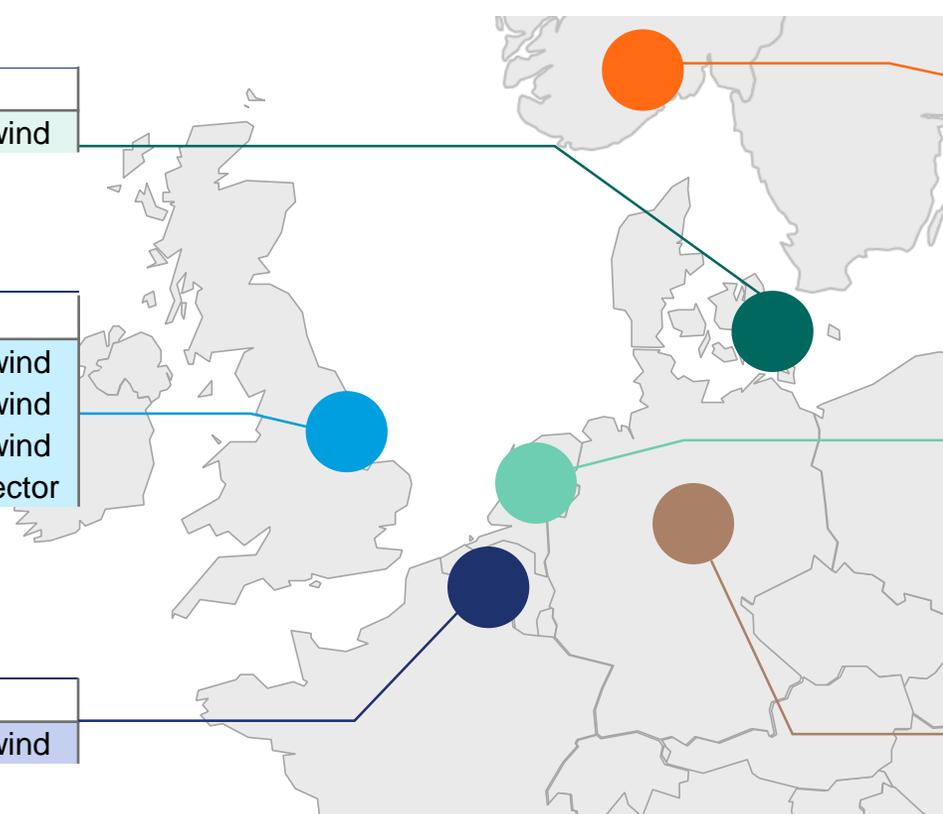
Year	Project name	Type
2018	Martin Linge	Oil and gas
	Johan Sverdrup	Oil and gas



Year	Project name	Type
2018	Borssele Alpha	Offshore wind
2019	Borssele Beta	Offshore wind



Year	Project name	Type
2018	Nordergrunde	Offshore wind
2019	Nordlink	Interconnector



Increased flexibility with plants in Cologne and Karlskrona



Karlskrona, Sweden

DC (direct current)



AC (alternating current)



Cologne, Germany

DC¹ (direct current)

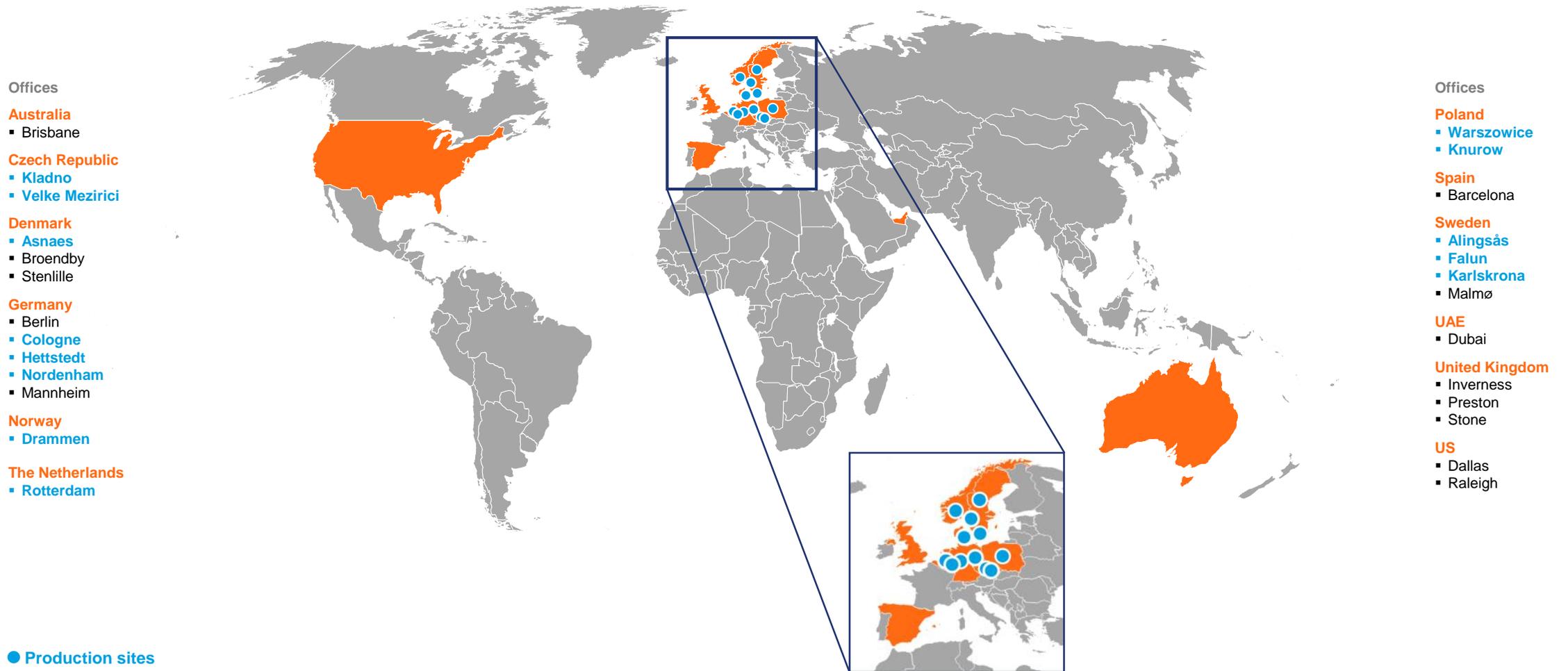


AC (alternating current)



¹ Qualification of the plant ongoing to produce energy cables based on DC technology

US sales office to play an active part in future projects



Frame contracts driven by close customer relations



Innovative solution for utilization of wave power



A dark blue world map serves as the background. Overlaid on the map are several glowing circuit lines in orange and light blue, with small circular nodes at various points, suggesting a global network or infrastructure.

Our vision

By driving excellence we will be the best power cable company by 2020 in the eyes of our customers and our people

EXCELLENCE 2020 segment initiatives



Develop and grow



**AC¹/DC² offshore
high-voltage cables**



**DC² onshore
high-voltage cables**



Accessories



Service & Installation

Focus on profitable growth



**Building wires and
low-voltage cables**



Medium-voltage cables

Turnaround



**AC¹ onshore
high-voltage cables**



Railway

¹ Alternating current

² Direct current

2017 development in NKT Photonics



2017 financial results – revenue milestone

50.9

Revenue, EURm

7%

Organic growth

6.9%

Operational EBITDA margin

NKT Photonics' business areas

Imaging & Metrology



Sensing & Energy



Material Processing

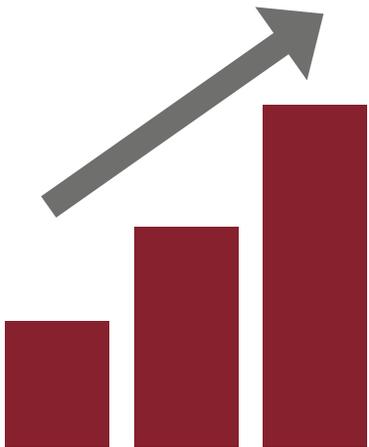


Acquisition strengthens NKT Photonics further

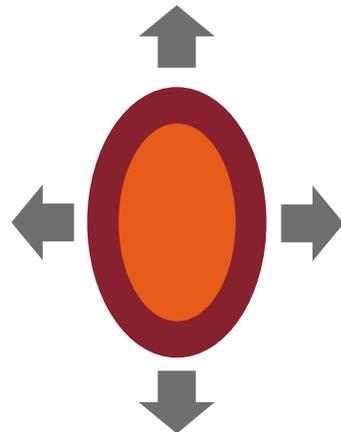


Strategy to achieve commercial scale

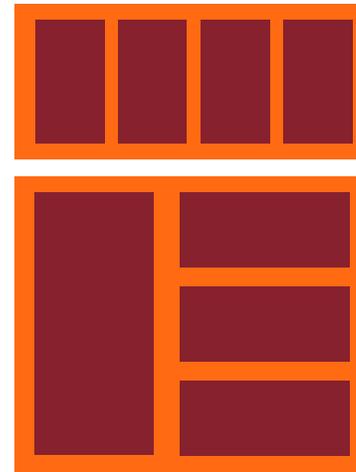
Move up in value chain



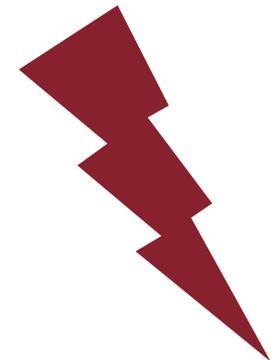
Focus on organic growth



LEAN operations



Fast introduction of new products



Board of Directors



The work of the Board of Directors



No. of meetings

Committee	Members	Meetings in 2017
Audit	Jutta af Rosenborg (Chair), Jens Maaløe	6
Remuneration	Jutta af Rosenborg (Chair), Jens Maaløe	5
Nomination	Lars S. Sørensen (Chair), Jens Due Olsen	5
NKT Photonics	Jens Maaløe (Chair), Jens Due Olsen	4
Board meetings*	All	14

* Including extraordinary meetings

Re-election of AGM-elected Board members



**Jens Due
Olsen**



**René Svendsen-
Tune**



Jens Maaløe*



**Jutta af
Rosenborg**



**Lars Sandahl
Sørensen**



Andreas Nauen

* Not considered independent, cf. Danish Recommendations for Corporate Governance

Election of employee representatives to the Board of Directors

NKT

Peter Wennevold

NKT Cables Group A/S
Head of Finance Transformation

Stig Nissen Knudsen

NKT Photonics A/S
Production Development Engineer

Jack Ejlertsen

NKT (Denmark) A/S
Operator



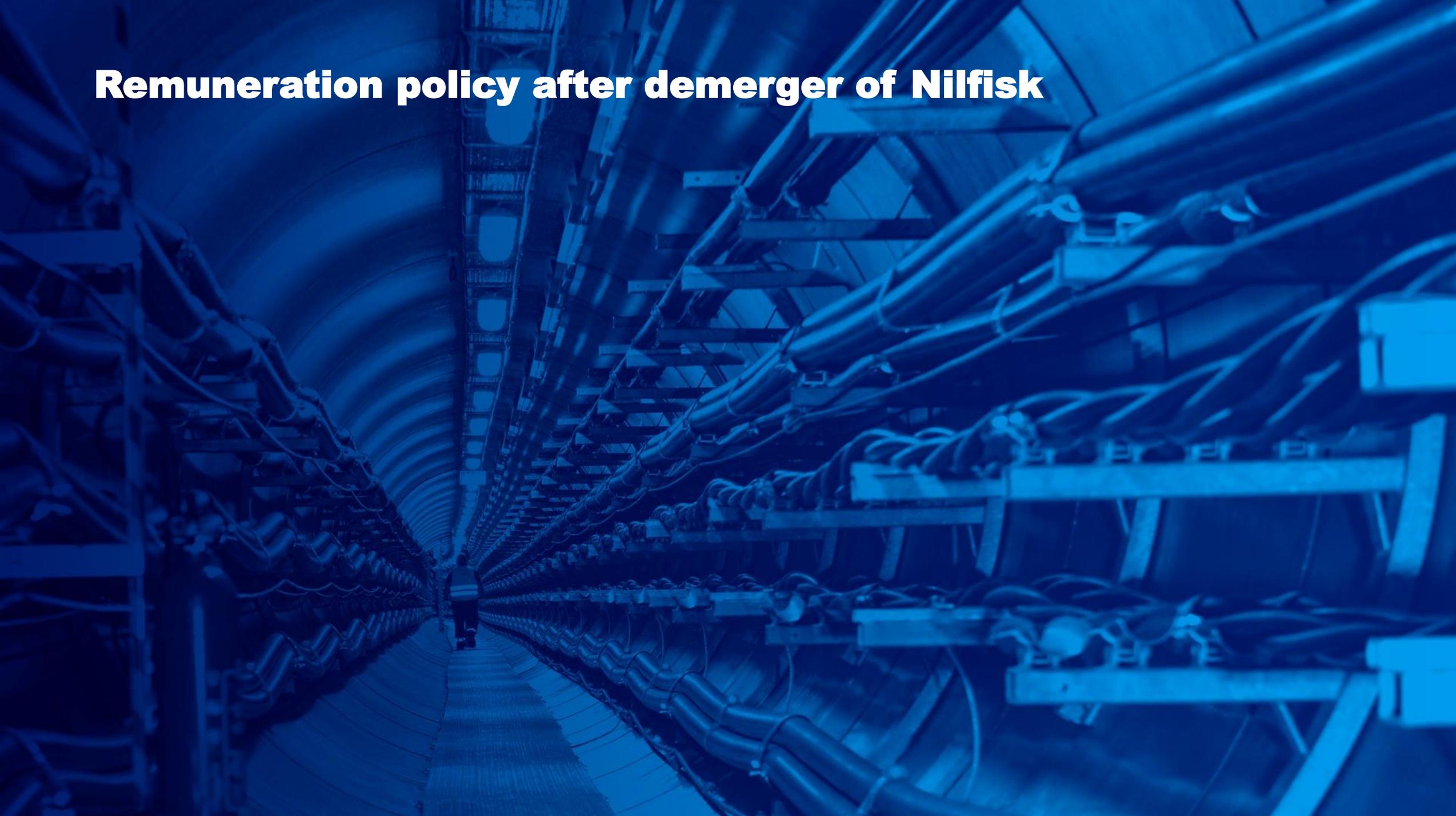
Remuneration to the Board of Directors



Amounts in DKK 1,000

Chairman (3x base amount of 300)	900
Deputy Chairman (2x base amount of 300)	600
Other members (base amount of 300 per member)	2,100
Audit Committee (Chairman 200 and member 100)	300
Remuneration Committee (Chairman 100 and member 50)	150
Nomination Committee (Chairman 100 and member 50)	100*
Working Committee NKT Photonics (Chairman 150 and member 75)	150*
Total remuneration	4,300

* The Chairman is member of these committees and does not receive remuneration for this work.

A blue-tinted photograph of a server room. The image shows rows of server racks extending into the distance, with numerous cables and components visible. The perspective is from the end of the aisle, looking down the center. The lighting is dim, and the overall color scheme is a monochromatic blue.

Remuneration policy after demerger of Nilfisk

Thank you to the employees



Financial outlook 2018



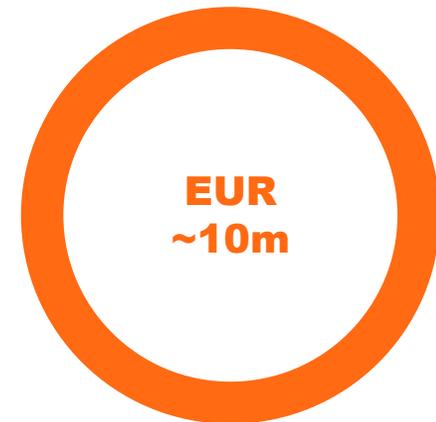
Revenue*



Operational EBITDA



Revenue



EBITDA

* Std. metal prices

2018 with focus on execution

NKT

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