



# NKT Holding

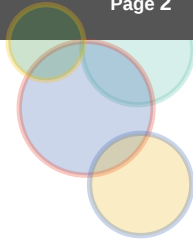
Interim Report Q1 2012

Live presentation

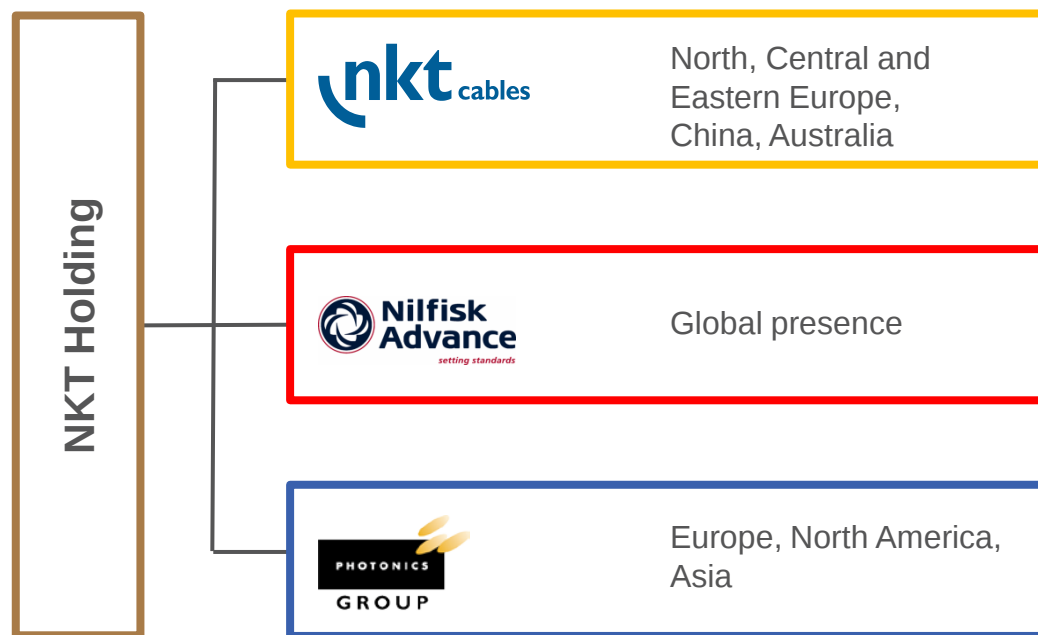
9 May 2012 at 11:00 am CET

# Agenda

- **NKT Group – Highlights Q1 2012**
- Financial results Q1 2012
- Companies
  - NKT Cables
  - Nilfisk-Advance
  - Photonics Group
- Expectations 2012
- Questions & Answers



# Group structure May 2012



# Highlights Q1 2012

- **Revenue 3.531** mDKK vs. Q1 2011: 3.774 mDKK
- **Organic growth -5%** in Q1 2012

| Organic growth  | Q1 2012 |
|-----------------|---------|
| NKT Cables      | -13%    |
| Nilfisk-Advance | 4%      |
| Photonics Group | 31%     |

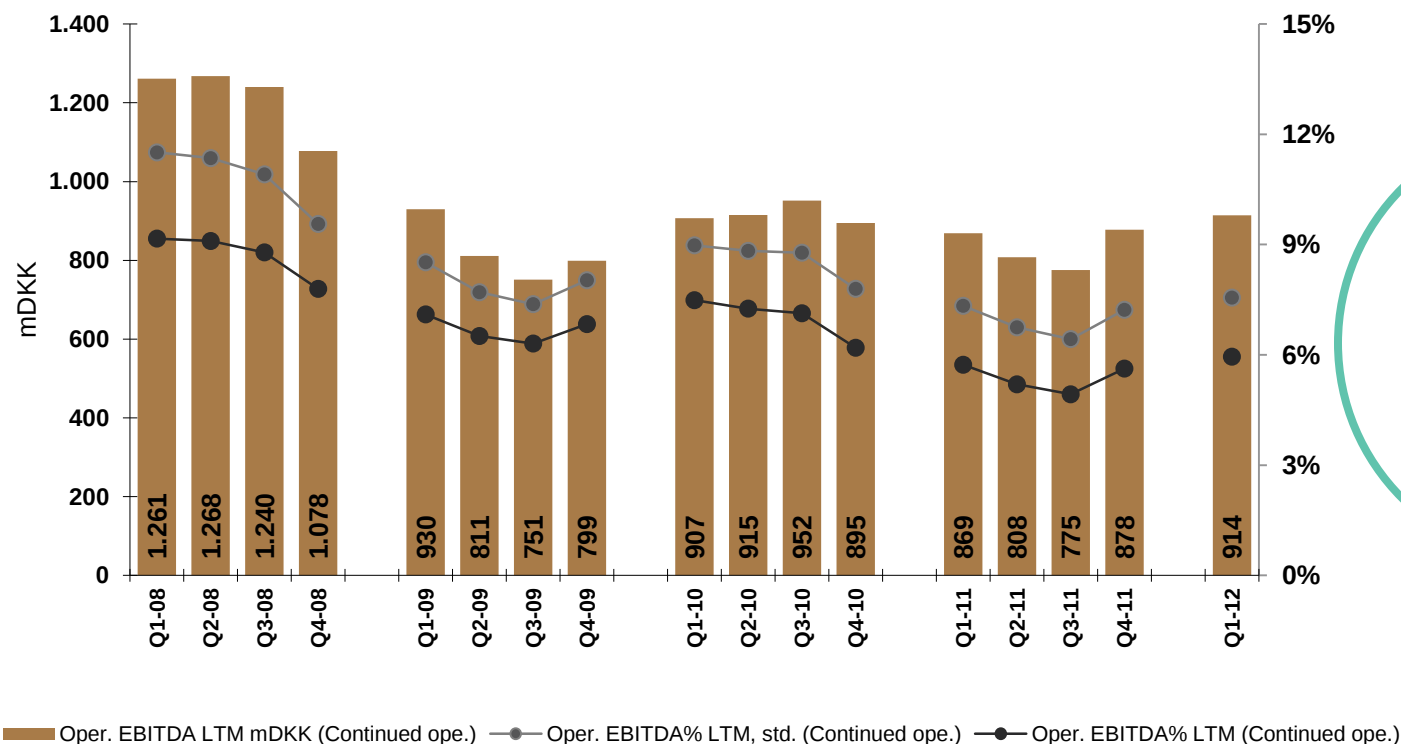
- **Operational EBITDA Q1 2012: 229** mDKK (8,2%) vs. 193 mDKK (6,7%) in Q1 2011
- **Earnings before tax (EBT)** of continuing operations amount to **44** mDKK vs. 26 mDKK in Q1 2011
- **Earnings of discontinued operations** amounts to **0** mDKK vs. 21 mDKK in Q1 2011
- **Profit: 31** mDKK vs. 51 mDKK in Q1 2011

- **WC** amounts to **2,9** bn.DKK vs. 2,7 bnDKK end 2011. LTM at 21,6% vs. 21,8% end 2011
- **NIBD** increased to **4.5** bnDKK in Q1 2012 (**4,3x** operational EBITDA) from 4.4 bnDKK end 2011 (4,3x operational EBITDA)
- **Dividend 47,8** mDKK paid out in April 2012

## Unchanged expectations for 2012

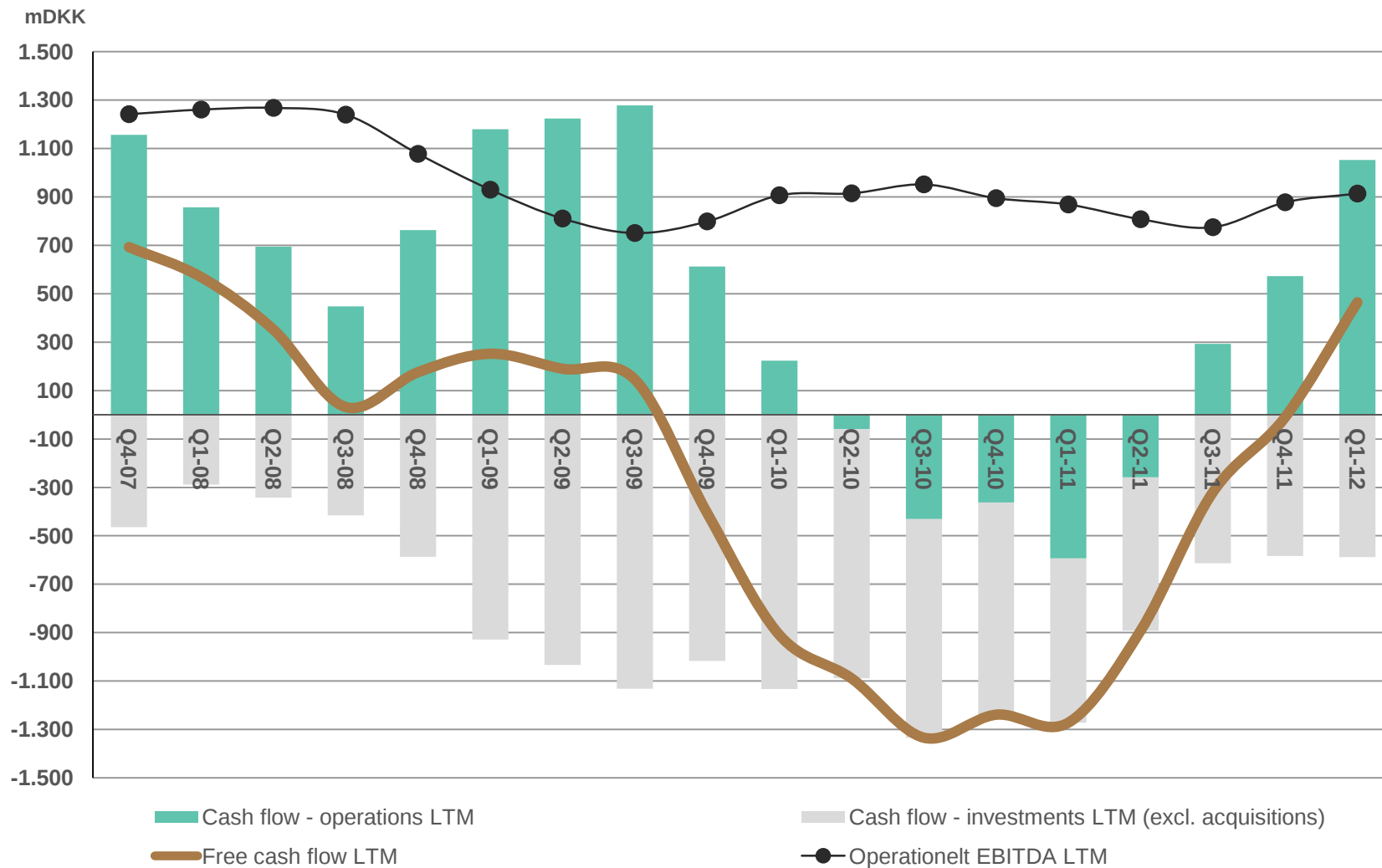
- **Organic growth** in revenue remains approx. **5-10%**
- Operational EBITDA are still planned to be between **1.050-1.250** mDKK
- Profit from discontinued operations (NKT Flexibles) is unchanged at approx. **1,3** bnDKK

# Operational EBITDA Group

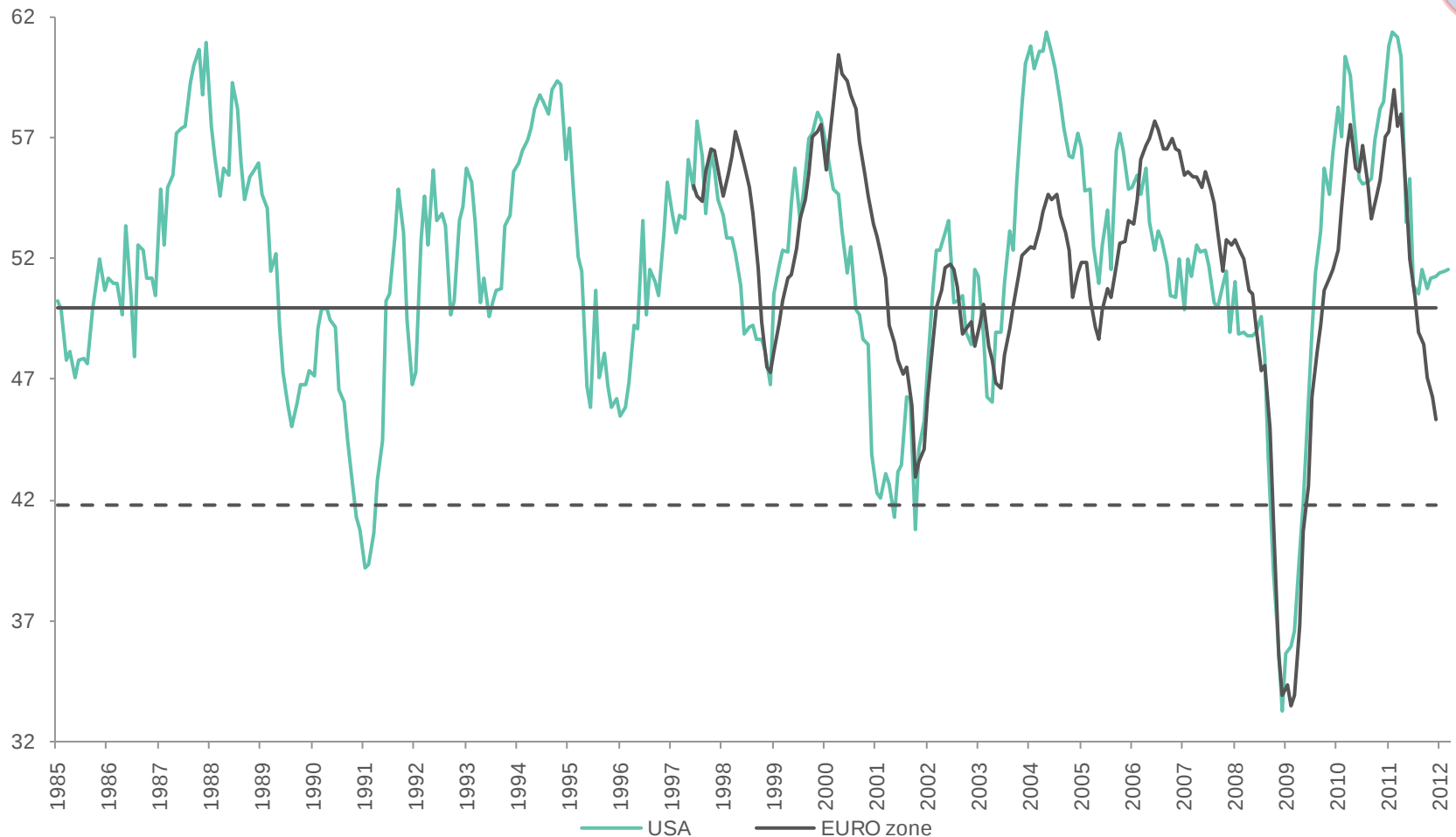


- Organic growth of **-5%** for Q1 2012
- EBITDA margin std. LTM Q1 2012 of **7,6%** or **914** mDKK – an increase from 7,2% or 878 mDKK in Q4 2011

# Cash generation will develop positively



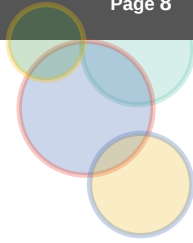
# Manufacturing PMI



- Expectation indicator – Above the line indicates positive expectations for the manufacturing sector and below the line indicates declining expectations for the manufacturing sector
- - - - Below the line indicate expectations of recession

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# Realised Q1 2012 vs. Q1 2011

| mDKK                                     | Q1 2012         | Q1 2011         | Change          | Consensus       |
|------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Revenue</b>                           | <b>3.531</b>    | <b>3.774</b>    | <b>-243 -6%</b> | <b>3.754</b>    |
| <i>Revenue, std.</i>                     | <i>2.806</i>    | <i>2.863</i>    | <i>-57</i>      | <i>2.977</i>    |
| <b>EBITDA (operational)</b>              | <b>229</b>      | <b>193</b>      | <b>36 19%</b>   | <b>251</b>      |
| One-off's                                | -1              | -5              | 4               | 0               |
| <b>EBITDA</b>                            | <b>228</b>      | <b>188</b>      | <b>40</b>       | <b>251</b>      |
| Depreciation                             | -125            | -119            | -6              | -128            |
| <b>EBIT</b>                              | <b>103</b>      | <b>69</b>       | <b>34</b>       | <b>123</b>      |
| Financial items, net                     | -59             | -43             | -16             | -60             |
| <b>EBT from continuing operations</b>    | <b>44</b>       | <b>26</b>       | <b>18</b>       | <b>63</b>       |
| Tax from continuing operations           | -13             | 4               | -17             | -17             |
| <b>Profit from continuing operations</b> | <b>31</b>       | <b>30</b>       | <b>1</b>        | <b>46</b>       |
| Profit from discontinued operations      | 0               | 21              | -21             | 19              |
| <b>Profit</b>                            | <b>31</b>       | <b>51</b>       | <b>-20</b>      | <b>65</b>       |
| <br><i>Oper. EBITDA margin std.</i>      | <br><i>8,2%</i> | <br><i>6,7%</i> |                 | <br><i>8,4%</i> |
| <i>Tax % of continuing operations</i>    | <i>30%</i>      | <i>-15%</i>     |                 | <i>27%</i>      |

**Organic growth -5%:**

- NKT Cables **-13%**
- Nilfisk-Advance **4%**
- Photonics Group **31%**

# Realised Q1 2012 vs. Q1 2011

| mDKK                                     | Q1 2012      | Q1 2011      | Change      |
|------------------------------------------|--------------|--------------|-------------|
| <b>Revenue</b>                           | <b>3.531</b> | <b>3.774</b> | <b>-243</b> |
| <i>Revenue, std.</i>                     | <i>2.806</i> | <i>2.863</i> | <i>-57</i>  |
| <b>EBITDA (operational)</b>              | <b>229</b>   | <b>193</b>   | <b>36</b>   |
| One-off's                                | -1           | -5           | 4           |
| <b>EBITDA</b>                            | <b>228</b>   | <b>188</b>   | <b>40</b>   |
| Depreciation                             | -125         | -119         | -6          |
| <b>EBIT</b>                              | <b>103</b>   | <b>69</b>    | <b>34</b>   |
| Financial items, net                     | -59          | -43          | -16         |
| <b>EBT from continuing operations</b>    | <b>44</b>    | <b>26</b>    | <b>18</b>   |
| Tax from continuing operations           | -13          | 4            | -17         |
| <b>Profit from continuing operations</b> | <b>31</b>    | <b>30</b>    | <b>1</b>    |
| Profit from discontinued operations      | 0            | 21           | -21         |
| <b>Profit</b>                            | <b>31</b>    | <b>51</b>    | <b>-20</b>  |

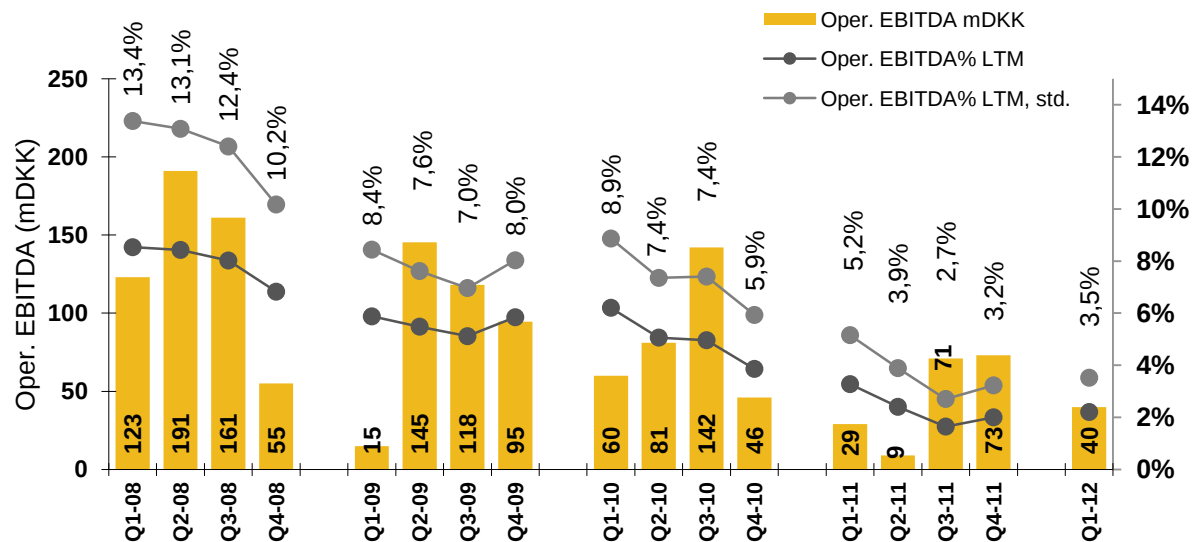
|                                       |      |      |
|---------------------------------------|------|------|
| <i>Oper. EBITDA margin std.</i>       | 8,2% | 6,7% |
| <i>Tax % of continuing operations</i> | 30%  | -15% |

|                             | mDKK        |
|-----------------------------|-------------|
| <b>Revenue decreased by</b> | <b>-243</b> |
| Metal prices                | -83         |
| FX changes                  | 31          |
| Acquisitions                | 0           |
| <b>-5% organic growth</b>   | <b>-191</b> |
| - NKT Cables                | -13%        |
| - Nilfisk-Advance           | 4%          |
| - Photonics Group           | 31%         |

|                                                  | mDKK      |
|--------------------------------------------------|-----------|
| <b>Operational EBITDA increased by</b>           | <b>36</b> |
| NKT Cables<br>Margin 3,6% (Q1 2011: 2,3%)        | 11        |
| Nilfisk-Advance<br>Margin 12,0% (Q1 2011: 11,7%) | 15        |
| Photonics Group                                  | 7         |
| Other                                            | 3         |

|                                                             | mDKK       |
|-------------------------------------------------------------|------------|
| <b>Financial items</b><br>(Q1 2011: 43 mDKK)                | <b>-59</b> |
| Net interest expense<br>(Q1 2011: -42 mDKK)                 | -57        |
| Net exchange loss<br>(Q1 2011: -1 mDKK including cap. int.) | -2         |

# NKT Cables – Trends



**Realised -13% organic growth in Q1 2012:**

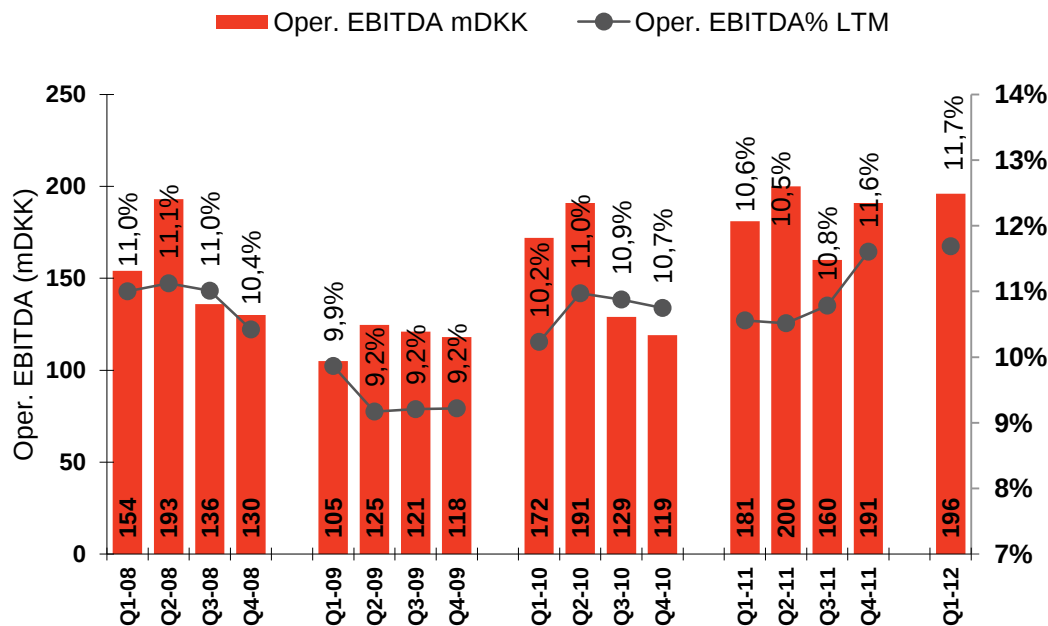
- Electricity Infrastructure -7%
- Construction 5%
- Railway -59%
- Automotive -14%

**Q1 2012 organic growth peer 1%:**

- Energy Infrastructure -6%
- Industry 6%
- Distributions and installations 9%
- Other -5%

|                                  | 2008 |    |    |    | 2009 |    |      |     | 2010 |    |     |     | 2011 |    |     |     | 2012 |  |  |  |
|----------------------------------|------|----|----|----|------|----|------|-----|------|----|-----|-----|------|----|-----|-----|------|--|--|--|
| Organic growth - Quarterly (Y/Y) | 4%   | 3% | 3% | 0% | -14% | 3% | -10% | -8% | 4%   | 1% | 25% | 34% | 20%  | 0% | -4% | -6% | -13% |  |  |  |
| - Annually                       | 3%   |    |    |    | -7%  |    |      |     | 16%  |    |     |     | 1%   |    |     |     | -13% |  |  |  |

# Nilfisk-Advance – Trends



## Realised 4% organic growth in Q1 2012:

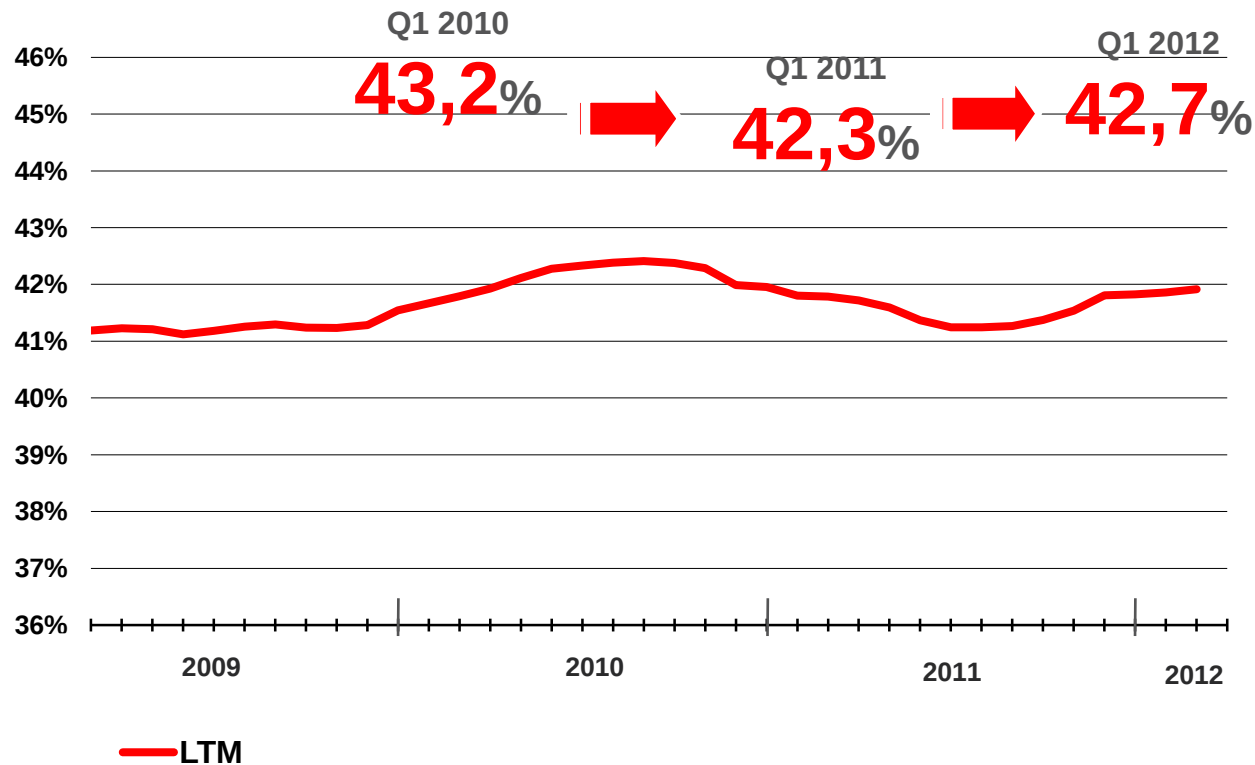
- EMEA 4%
- Americas 7%
- Asia/APAC -2%

## Organic growth peer 2%:

- EMEA -1%
- Americas 4%
- Asia/APAC -5%

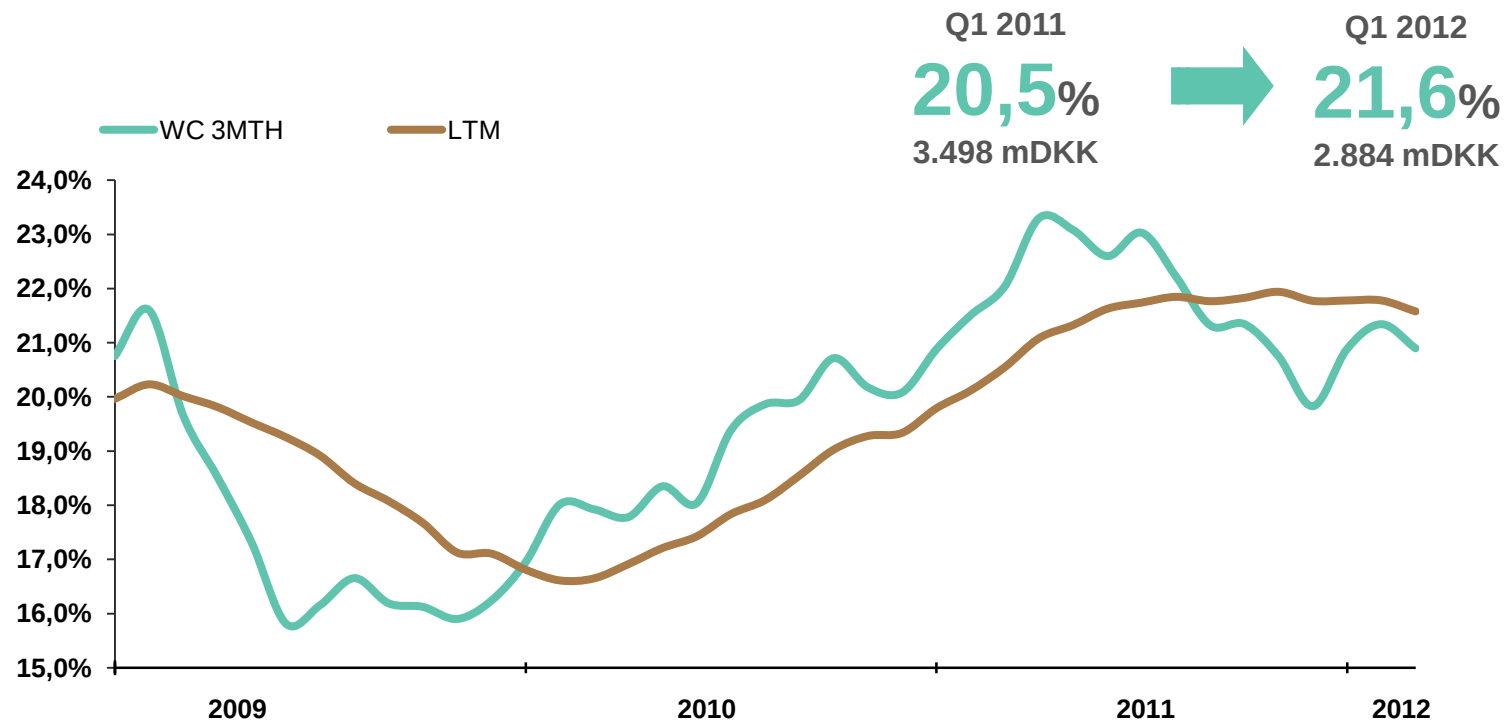
|                                  | 2008 |    |    |      | 2009 |      |      |     | 2010 |     |    |    | 2011 |    |    |    | 2012 |  |  |  |
|----------------------------------|------|----|----|------|------|------|------|-----|------|-----|----|----|------|----|----|----|------|--|--|--|
| Organic growth - Quarterly (Y/Y) | 4%   | 6% | 5% | -12% | -12% | -20% | -13% | -3% | 6%   | 10% | 5% | 7% | 5%   | 8% | 9% | 9% | 4%   |  |  |  |
| - Annually                       | 1%   |    |    |      | -13% |      |      |     | 7%   |     |    |    | 8%   |    |    |    | 4%   |  |  |  |

# Nilfisk-Advance - Gross profit development



**Gross profit:** positively impacted by sales price increases in Q1 2012 and negatively impacted by high input prices and general cost increases

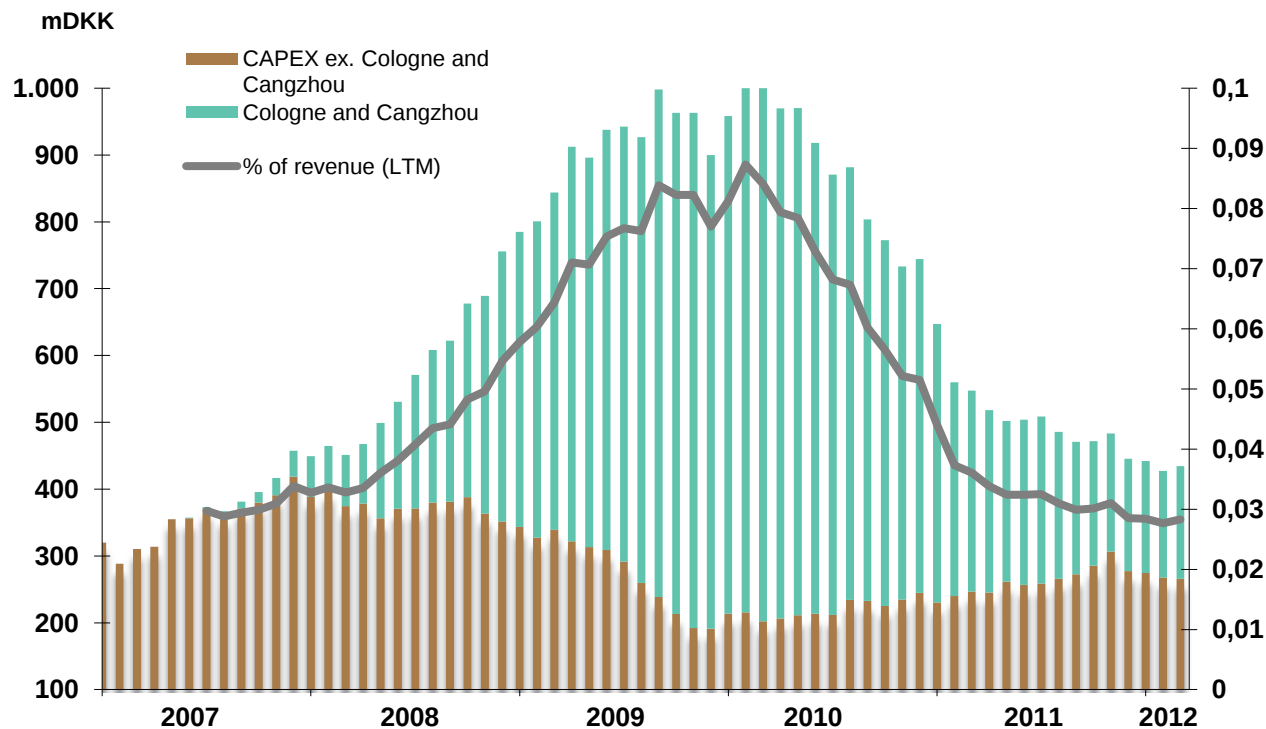
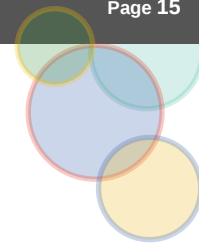
# Working Capital (in% of revenue)



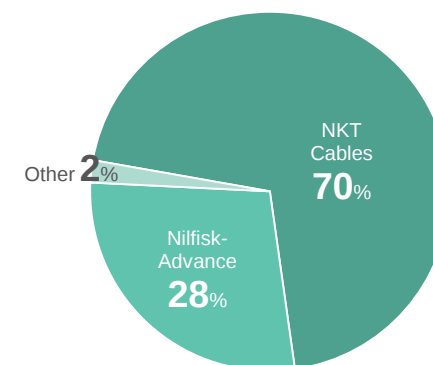
- WC of **2.884** mDKK Q1 2012 vs. 2.740 mDKK end 2011
- Still **high focus** area in both NKT Cables and Nilfisk-Advance
- **Strategic target** remains 18% in Nilfisk-Advance and <17% in NKT Cables

- WC decreased to **21,6%** (LTM) vs. 21,8% end 2011
- NKT Cables decreased to **22,6%** (LTM) vs. 23,2% end 2011
- Nilfisk-Advance increased to **19,8%** (LTM) vs. 19,4% end 2011

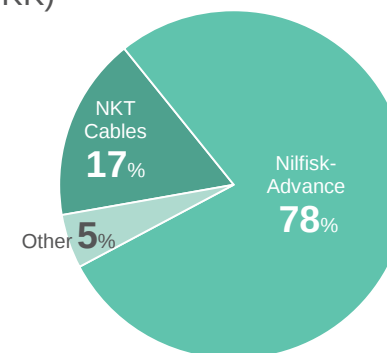
# 12 months investments in tangible assets (gross)



**Gross CAPEX in Q1 2012 is 89 mDKK vs. Q1 2011: 99 mDKK**



**Investments in intangible assets in Q1 2012 are 36 mDKK vs. Q1 2011: 29 mDKK)**

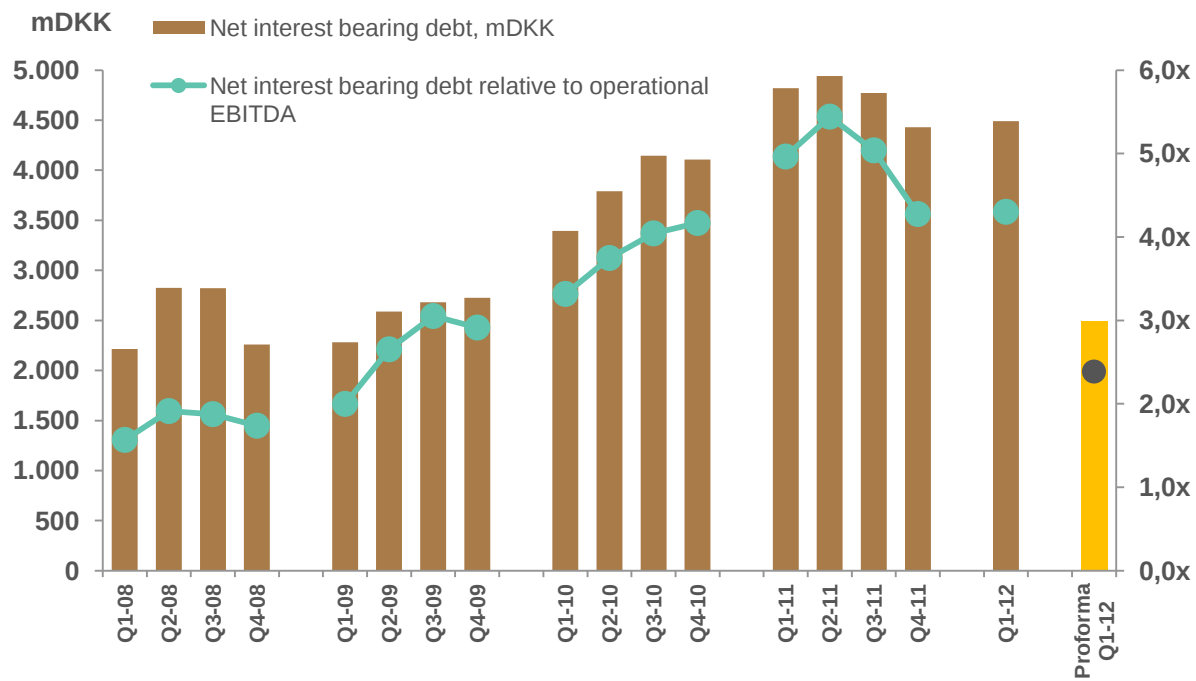


# Net interest bearing debt – Group

Q1 2011  
**5,0x**  
4.821mDKK

→

Q1 2012  
**4,3x**  
4.491 mDKK



- **NIBD** of **4.491** mDKK as per 31 March 2012 vs. 4.429 mDKK as per 31 December 2011
- End March 2011 net interest bearing debt amounts to **4,3x** operational EBITDA (End 2011: 4,3x). Max. NIBD of 2,5x operational EBITDA remains the internal target. Proforma (incl. the sale of NKT Flexibles) **2,4x**
- **Gearing** of **109%** (Q1 2011: 121%). Max. ratio of 100% remains the internal target. Proforma (incl. The sale of NKT Flexibles) **46%**
- **Solvency ratio** of **30%** (Q1 2011: 29%). Ratio >30% remains the internal target. Proforma (incl. the sale of NKT Flexibles) **41%**

# Gross debt and Cash Resources – Group

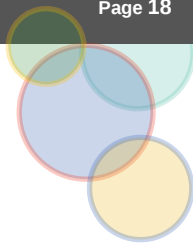
## Gross debt:

- 63% in DKK, 19% in CZK and remaining part in EUR, USD & CNY
- Largest part is at variable interest
- +/- 1% change in interest will impact net interest with +/- 36 mDKK (2011: 35 mDKK)

## Cash resources:

- Undrawn facilities of 2,0 bn.DKK + cash of 0,3 bn.DKK. In total **2,3** bn.DKK
- Undrawn facilities of **4,3** bn.DKK proforma
- The debt is not subject to any kind of financial covenants

| Amounts in bnDKK                                    | 31.03.12   | 31.12.11   | 31.03.11   |
|-----------------------------------------------------|------------|------------|------------|
| Committed (>3 years)                                | 3.9        | 3.7        | 3.8        |
| Committed (1-3 years)                               | 0.9        | 1.4        | 1.0        |
| Committed (<1 year)                                 | 0.5        | 0.1        | 0.1        |
| <b>Committed total</b>                              | <b>5.3</b> | <b>5.2</b> | <b>4.9</b> |
| % of total                                          | 77%        | 74%        | 80%        |
| Uncommitted                                         | 1.6        | 1.8        | 1.2        |
| % of total                                          | 23%        | 26%        | 20%        |
| <b>Total</b>                                        | <b>6.9</b> | <b>7.0</b> | <b>6.1</b> |
| Cash                                                | 0.3        | 0.3        | 0.2        |
| Drawn                                               | -4.9       | -4.8       | -5.1       |
| <b>Cash resources</b>                               | <b>2.3</b> | <b>2.5</b> | <b>1.2</b> |
| Proceeds from sale of NKT Flexibles at 4 April 2012 | 2.0        |            |            |
| <b>Total ~</b>                                      | <b>4.3</b> |            |            |

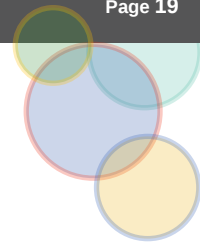


# Cash flows Q1 2012

| mDKK                                                          | Q1 2012     | Q1 2011     |
|---------------------------------------------------------------|-------------|-------------|
| Earnings, EBITDA                                              | 228         | 188         |
| Interest, net                                                 | -59         | -43         |
| Change in working capital                                     | -116        | -554        |
| Other                                                         | -26         | -44         |
| <b>Cash flows from operating activities</b>                   | <b>27</b>   | <b>-453</b> |
| Acquisition of business activities                            | -7          | -109        |
| Acq. of property, plant and equipment, net                    | -88         | -93         |
| Other investments, net                                        | -39         | -29         |
| <b>Cash flows from investment activities</b>                  | <b>-134</b> | <b>-231</b> |
| <b>Cash flows operating and investment activities</b>         | <b>-107</b> | <b>-684</b> |
| Change in long- and short-term loans                          | 134         | 750         |
| Dividend paid                                                 | 0           | -47         |
| Cash from exercise of share-based options and minorities      | 21          | 0           |
| <b>Cash flows from financing activities</b>                   | <b>155</b>  | <b>703</b>  |
| <b>Cash flow from discontinued operations (NKT Flexibles)</b> | <b>0</b>    | <b>0</b>    |
| <b>Net cash flow</b>                                          | <b>48</b>   | <b>19</b>   |

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# NKT Cables

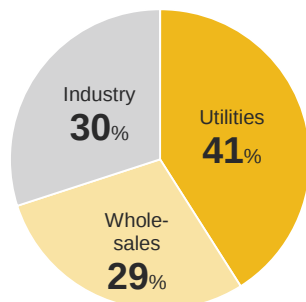
## VISION

NKT Cables is creating value for its customers by providing solutions with cables

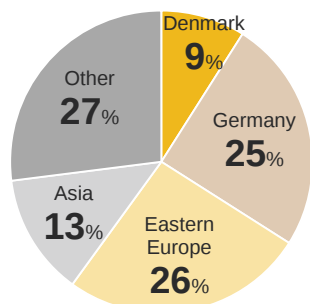


# NKT Cables

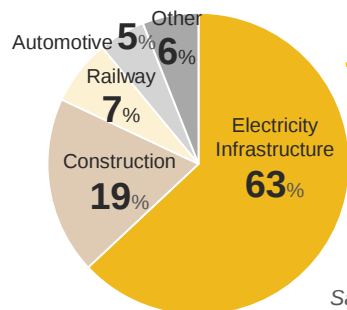
## Sales by Customers



## Sales by Markets



## Sales by Fields of Applications (Products)



- Manufacturing and Sales Companies
- Sales Entities

|             | 63% |
|-------------|-----|
| HV+offshore | 33% |
| MV          | 18% |
| Other       | 12% |

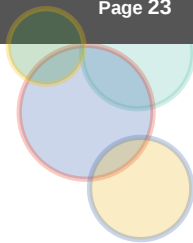
Sales by Customers and Fields of Applications are based on std. prices for FY 2011. Sales by Markets is based on market prices for FY 2011.

# Nilfisk-Advance

## MISSION

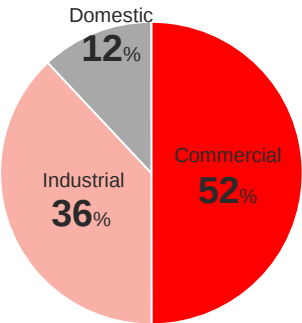
We enable sustainable cleaning worldwide to improve quality of life



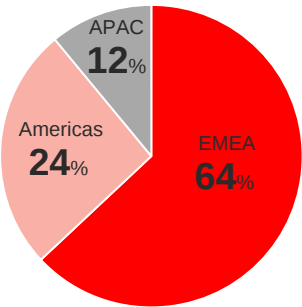


# Nilfisk-Advance

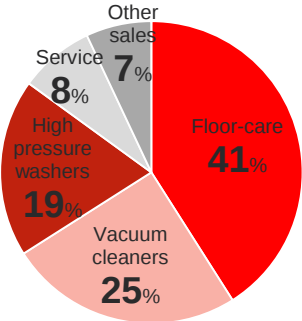
Sales by Customers



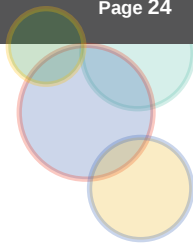
Sales by Markets



Sales by Products



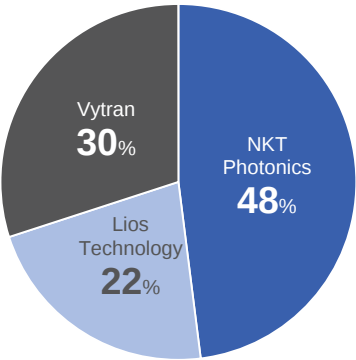
All data based on FY 2011



# Photonics Group



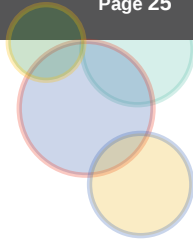
Sales by entities



All data based on FY 2011

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# Expectations 2012

Unchanged  
expectations for 2012

Expect organic growth in **revenue** of approx. **5-10%**

- **NKT Cables** approx. **5-10%**
- **Nilfisk-Advance** approx. **5%**
- **Photonics Group** approx. **20%**

**Operational EBITDA** (excl. NKT Flexibles) is planned to be **1.050 – 1.250** mDKK, an operational improvement up to 400 mDKK on 2011 after adjustment for the sale of NKT Flexibles

Profit from **discontinued operations** relates solely to NKT Flexibles and is expected to amount to approx. **1,3** bnDKK

**Risks relating to declared earnings expectations.** As seen from the operational EBITDA expectations, an interval of 200 mDKK (1.050-1.250 mDKK) is applied. This corresponds to a weighting of 50% of a realistic EBITDA swing factor for 2012 of approx. 400 mDKK (NKT Cables: 300 mDKK and Nilfisk-Advance: 100 mDKK)

# Expectations 2012 – Consensus (mDKK)

|                                          | Consensus     |
|------------------------------------------|---------------|
| <b>Revenue</b>                           | <b>16.283</b> |
| <i>Organic growth</i>                    | <i>6%</i>     |
| <b>EBITDA</b>                            |               |
| NKT Cables                               | 442           |
| Nilfisk-Advance                          | 782           |
| Photonics Group                          | 11            |
| Other                                    | -36           |
| <b>Operational EBITDA</b>                | <b>1.199</b>  |
| D&A                                      | -512          |
| <b>Operational EBIT</b>                  | <b>687</b>    |
| One off's                                | 0             |
| Financial items                          | -184          |
| <b>EBT from continuing operations</b>    | <b>503</b>    |
| Tax expense of continuing operations     | -129          |
| <b>Profit from continuing operations</b> | <b>374</b>    |
| Profit from discontinued operations      | 1.307         |
| <b>Profit after tax</b>                  | <b>1.681</b>  |

Expect **organic growth** in revenue of approx. **5-10%**

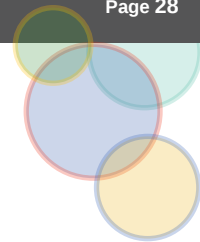
- NKT Cables approx. **5-10%**
- Nilfisk-Advance approx. **5%**
- Photonics Group approx. **20%**

Operational EBITDA is planned to be **1.050 – 1.250** mDKK, an operational improvement up to 400 mDKK on 2011 after adjustment for the sale of NKT Flexibles

Profit from **discontinued operations** related to NKT Flexibles and is expected to amount to approx. **1,3** bnDKK

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  - Photonics Group
- Expectations 2012
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| Traded<br>17:20:00 | Last<br>255.90 | +/- %<br>-1.88 | Volume<br>84,134 | High<br>260.00 | Low<br>255.20 | Market Cap.<br>8,113,038,188 DKK | Fleres børskurser » | Start searching | English   Sitemap   Kontakt |
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