



NKT

22 September 2022

Capital Markets Day 2022

RENEW BOOST

Disclaimer



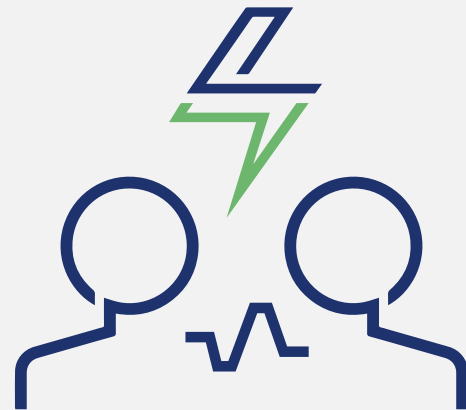
This presentation and related comments contain forward-looking statements.

Such statements are subject to many uncertainties and risks, as various factors of which several are beyond NKT A/S' control, may cause that the actual development and results differ materially from the expectations.

NKTs shared beliefs



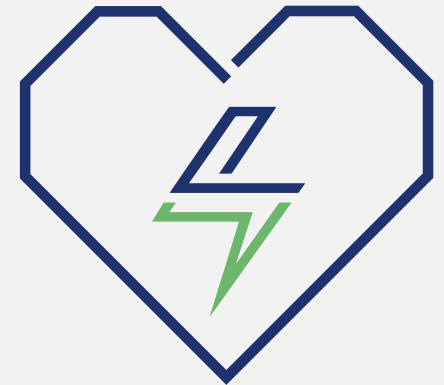
We Advance



We Connect



We Deliver



We Care

Group Leadership Team presenters today



Alexander Kara
President & CEO



Line Fandrup
CFO



Michael Hjorth,
CCO HV Solutions



Kira Johnson
CHRO



Anders Jensen
CTO



Claes Westerlind,
Head of HV Solutions Karlskrona



Will Hendrikx
Head of Applications



Axel Barnekow Widmark
Head of Service

Agenda

- 11.00 **Welcome** by Michael Nass Nielsen, Head of Investor Relations
- 11.10 **Introducing ReNew Boost** by Alexander Kara, President & CEO
- 11.30 **Markets** by Michael Hjorth, Chief Commercial Officer HV Solutions
- 11.45 **Solutions** by Claes Westerlind, Head of HV Solutions Karlskrona
- 12.05 **1st Q&A session** with Claes Westerlind, Michael Hjorth and Alexander Kara
- 12.25 Lunch break**
- 13.25 **Applications** by Michael Yong, Head of Strategy
- 13.45 **Service & Accessories** by Axel Barnekow Widmark, Head of Service
- 14.00 **2nd Q&A session** with Michael Yong, Axel Barnekow Widmark and Alexander Kara
- 14.15 Afternoon break**
- 14.35 **Technology** by Anders Jensen, Chief Technology Officer
- 14.50 **ESG** by Michael Hjorth, Chief Commercial Officer HV Solutions and Kira Johnson, Chief Human Resources Officer
- 15.10 **Financials** by Line Fandrup, Chief Financial Officer
- 15.30 **3rd Q&A session** with Anders Jensen, Michael Hjorth, Kira Johnson, Line Fandrup and Alexander Kara
- 15.50 **Closing remarks** by Alexander Kara, President & CEO
- 16.30 Bus to Karlskrona**

Video intro



The background image shows two construction workers in a field. They are wearing hard hats, safety glasses, and high-visibility work clothes. They are holding a long-handled tool, possibly a trencher or a similar piece of equipment, and appear to be working together. The scene is outdoors with trees in the background and a clear sky. The entire image has a blue color overlay.

Introducing ReNew BOOST

Alexander Kara, President & CEO

We connect a greener world

ReNew strategy launched in 2020 has lifted NKT on critical parameters



We fix and restart NKT

- New experienced Group Leadership Team
- Improved financial performance
- Strengthened balance sheet



We invest in NKT

- Expanded high-voltage capabilities in Karlskrona and Cologne
- Optimized production footprint across business lines
- Acquisition and integration of high-voltage technology consulting unit from ABB

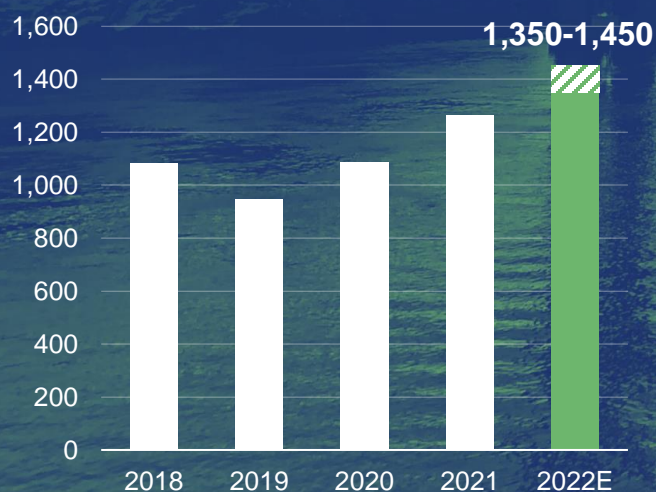


We grow NKT

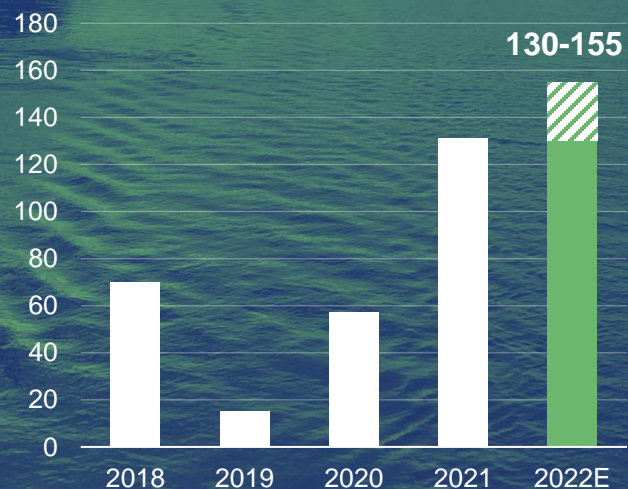
- Strengthened high-voltage market presence
- Acquired Ventcroft to strengthen position within fire-resistant power cables
- Geographical expansion of service offerings

Improved performance on key parameters during the past five years

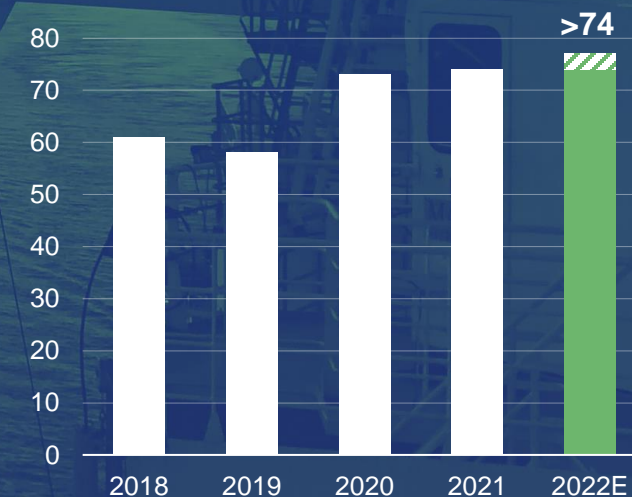
Revenue, std. metal price (EURm)



Operational EBITDA (EURm)



Employee engagement (index*)



* Scale from 0-100 based on annual employee survey

Strengthened foundation for future growth opportunities

Viking Link project

NKT plays a pivotal role in the **renewable energy transition** today and in the future



Pure play
power cable
solutions provider



Broad portfolio serving
the renewable energy
expansion



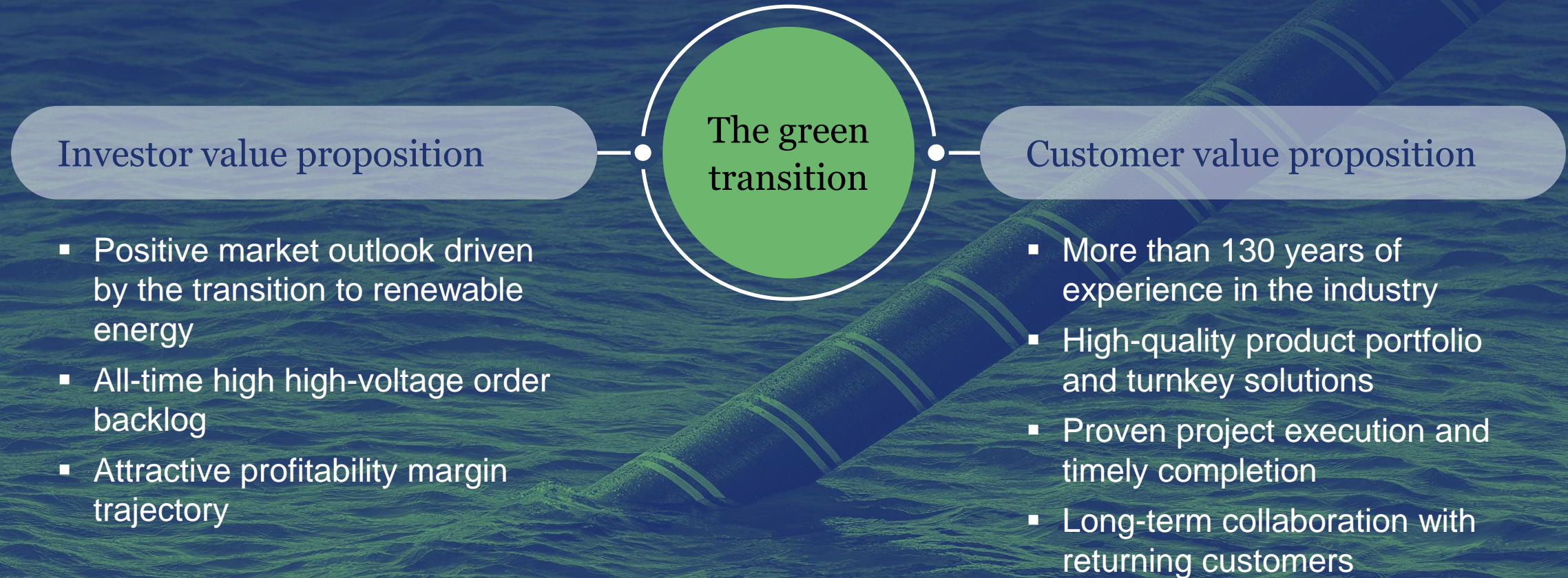
Technology leading
within power cable
solutions, especially in
HVDC technology



Leading in
sustainability actions,
on track to meet Net
Zero targets



Value creation driven by the green transition



Leading to significant market opportunities



Total annual energy investments expected to surge to **EUR 5,000bn** by 2030



New global electricity generation capacity from wind expected to be **3x** from 2020 to 2030, with strongest growth expected from offshore wind



High-voltage market project awards set to increase **3-4x** in the present decade

The future is green



ReNNew

ReNew BOOST will enable the green transition
and secure a better world for future generations



Let's Grow

- Invest in growth opportunities
- Selectively expand market presence



Let's Innovate

- Maintain technology leadership
- Increase open collaboration



Let's Drive Sustainability

- Continue journey to Net Zero
- Attract and retain top talent

ReNew BOOST is setting the direction for the business lines



Solutions



Leading HVDC solutions to empower the green transition

Applications



Growing in new markets with strong customer focus

Service & Accessories



Transforming and expanding tailored and reliable offerings globally

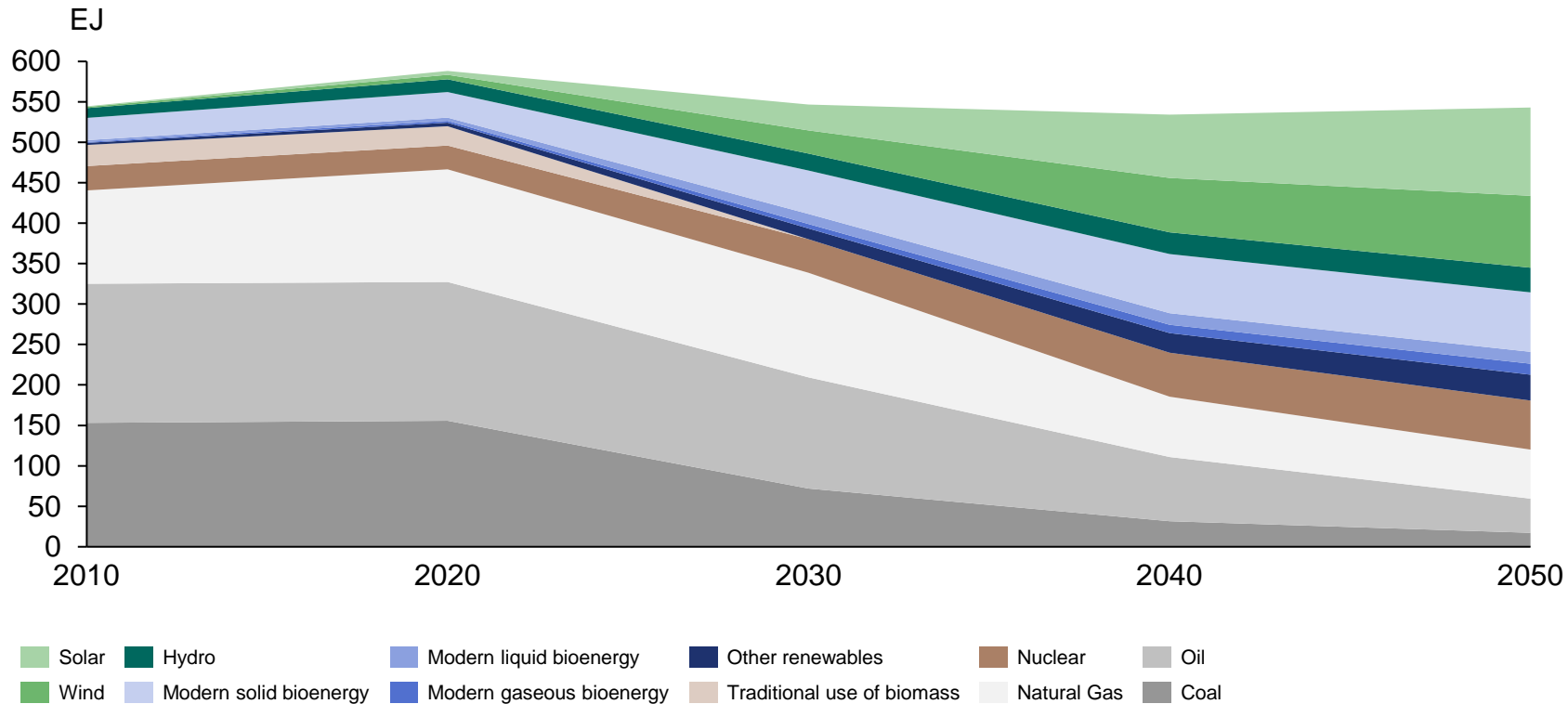
Video intro

Markets

Michael Hjorth, Chief Commercial Officer HV Solutions

Global Net Zero Emission ambitions and demand for energy security will transform energy generation mix towards 2050

Global Annual Energy Generation – Net Zero Emission scenario



By 2050, 70% renewable share in energy generation is targeted

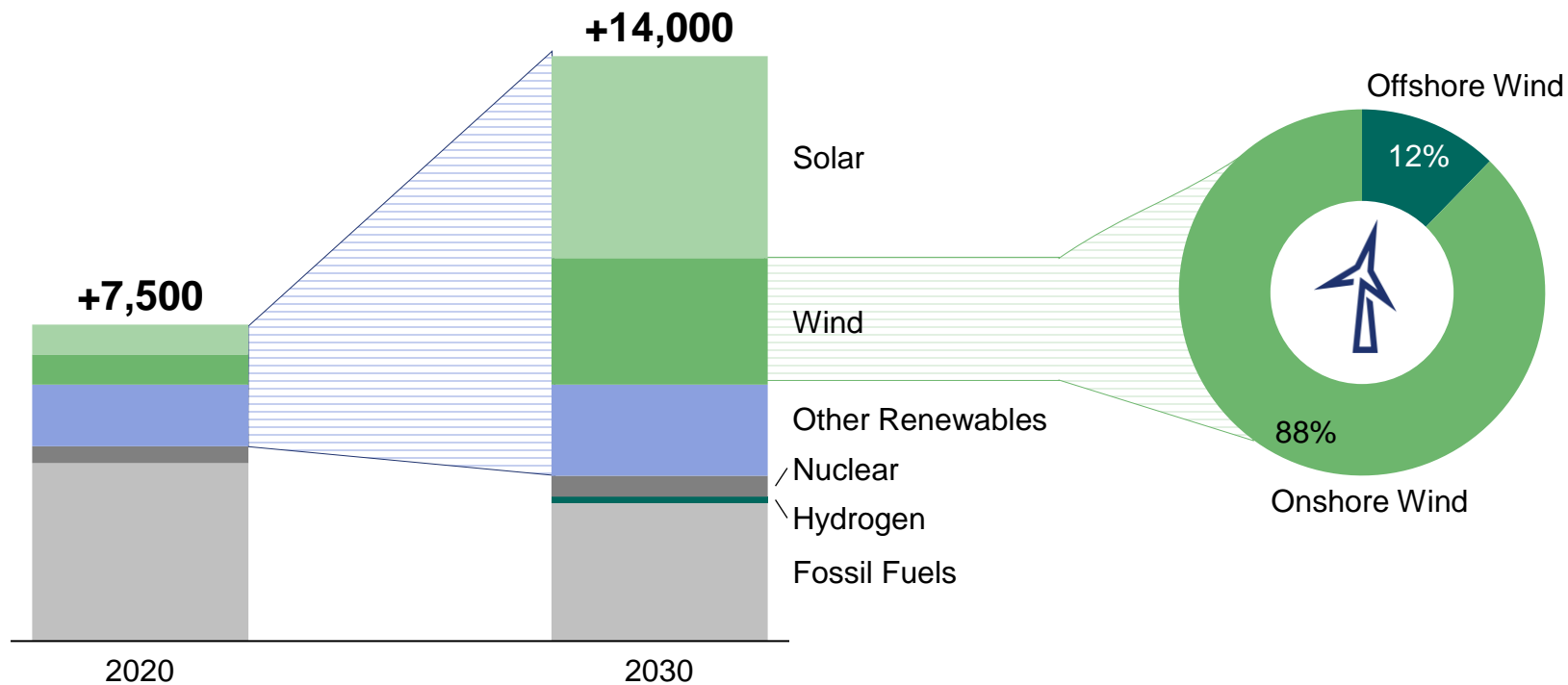
Power cable systems are required for:

- Generation
- Transmission
- Distribution

Source: IEA World Energy Outlook 10/2021, "Net Zero Pathway"; NKT desk research
 *all data represents net zero pathway scenario

Global ambitions to become carbon neutral is driving massive **increase in renewable energy**

Global Annual Electricity Generation in GW



3x in new global wind generation capacity by 2030; strongest growth rate expected in offshore wind

6x in new global solar generation capacity by 2030

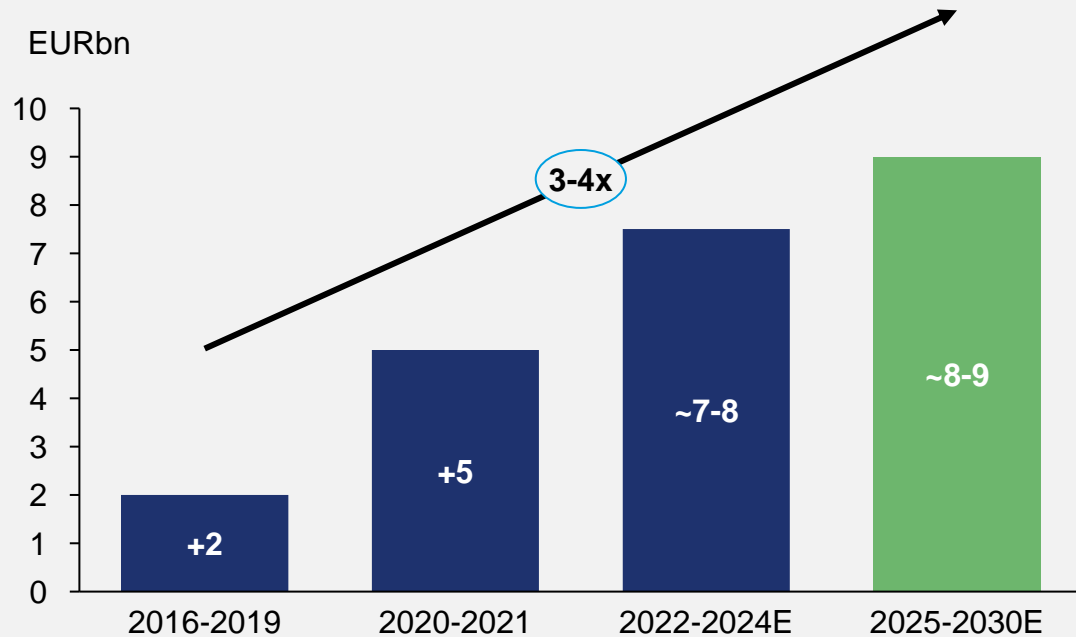
For net zero emissions by 2050, electricity generation capacity needs to be **70% renewable** by 2030

Source: IEA World Energy Outlook 10/2021, "Net Zero Pathway"; NKT desk research
 *all data represents net zero pathway scenario

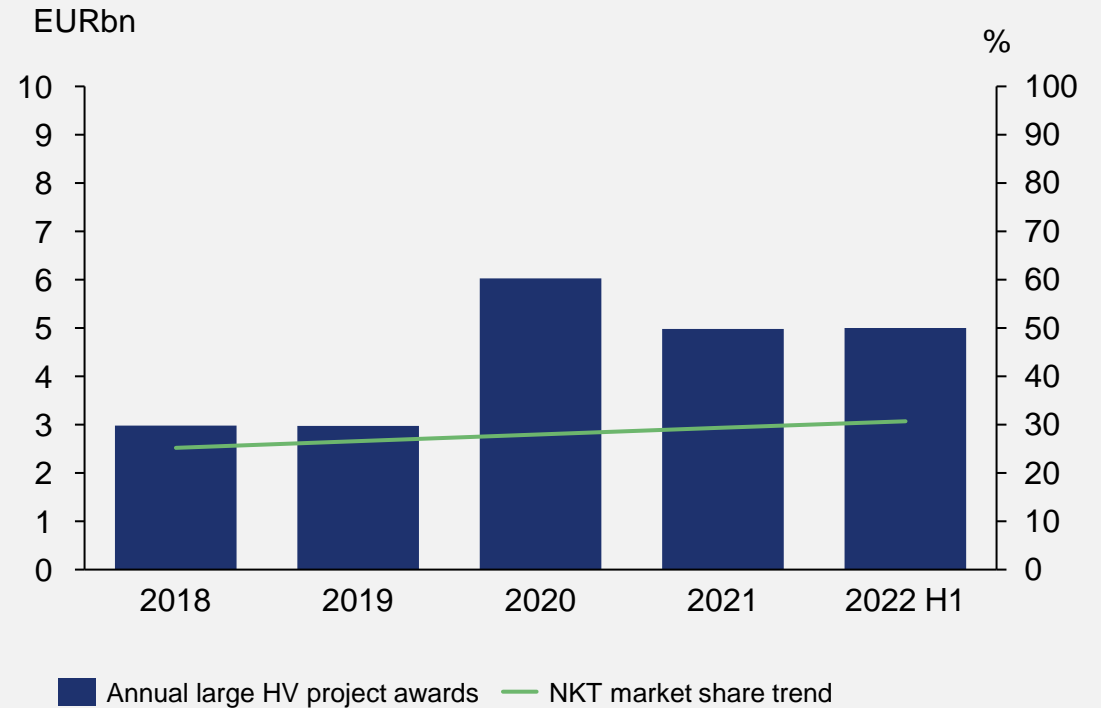
Large high-voltage project awards **expected to grow 3-4x** over the decade



Annual large high-voltage project market awards



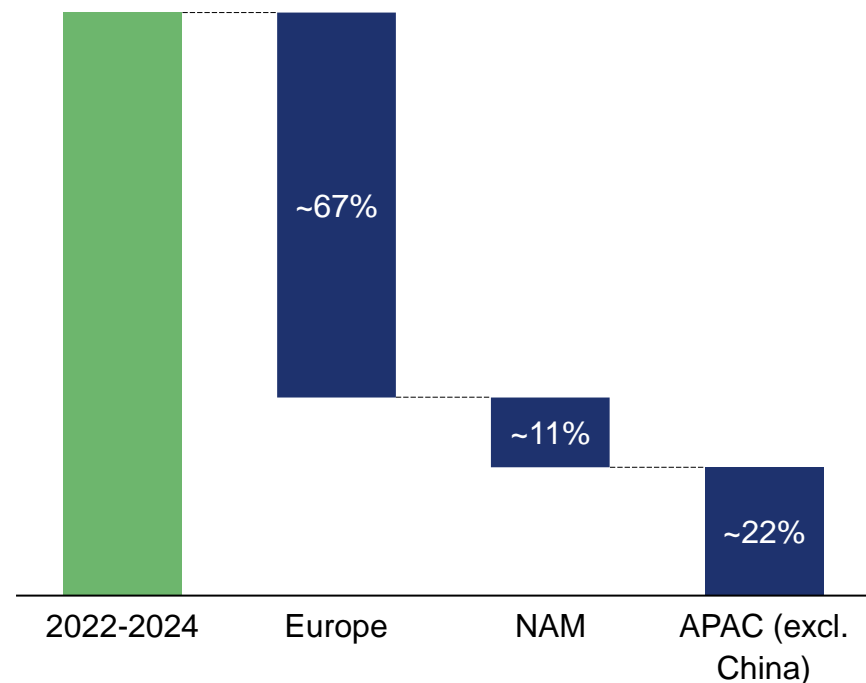
NKT historical market share in addressable large high-voltage project market



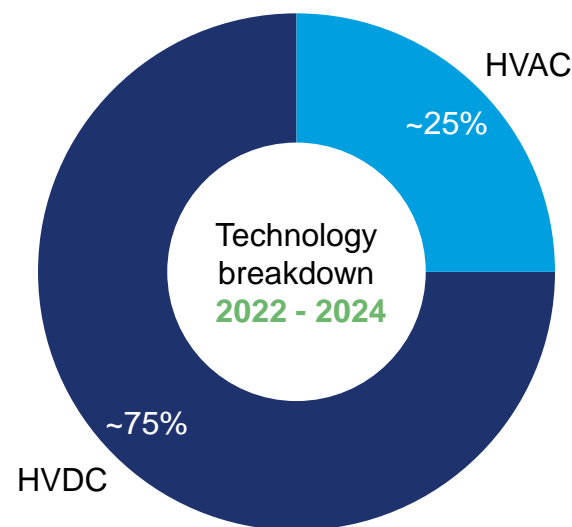
Source: Assessment of NKT's addressable HV market (Europe, NAM and APAC). Future market estimates are probability adjusted

Near-term global large high-voltage cable project activities driven by European demand – strong shift to DC technology

Large high-voltage market split by region, 2022 – 2024



AC/DC technology split for large high-voltage project market



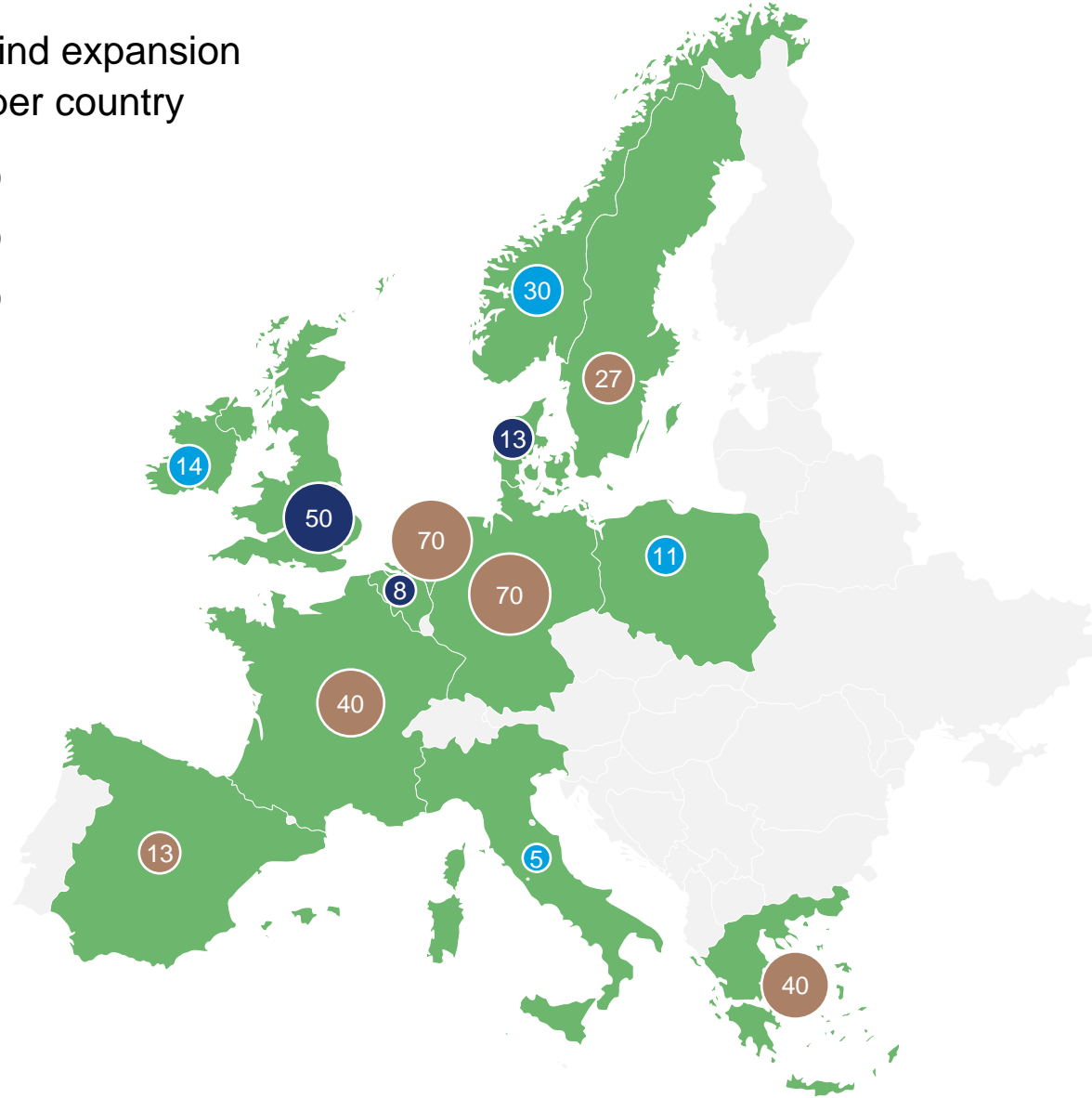
Immediate future large projects market predominantly driven by European activities

European Green Deal and Net Zero Target activities fueling market growth in Europe

Source: NKT internal market data based on gross list of addressable high-voltage projects

Offshore wind expansion ambitions per country

- GW by 2030
- GW by 2040
- GW by 2050



The green transition in Europe is accelerating with strong political support and ambitious targets.

Europe aims for at least 300 GW offshore wind generation by 2050.

The market growth is subject to several enabling elements

Accelerated project
planning, consenting
& permitting



Financing
(demand & supply)

**Market
Growth
Ambitions**

Supply demand
balance



Supply
chain security

Video intro

Solutions

Claes Westerlind, Head of HV Solutions Karlskrona

Solutions



Offers complete and customized end-to-end turnkey solutions within high-voltage power cable solutions mainly for interconnectors, offshore wind, power-from-shore and underground applications



Turnkey Cable system, Installation and Service (CIS)



Leading high-voltage power cable factories running on green electricity



The most advanced high-voltage testing facilities in the industry



NKT Victoria – advanced cable-laying vessel



Technology leading in high-voltage segment with several innovative solutions



+130 years of power cable experience

Wide range of high-voltage solutions covering a variety of applications



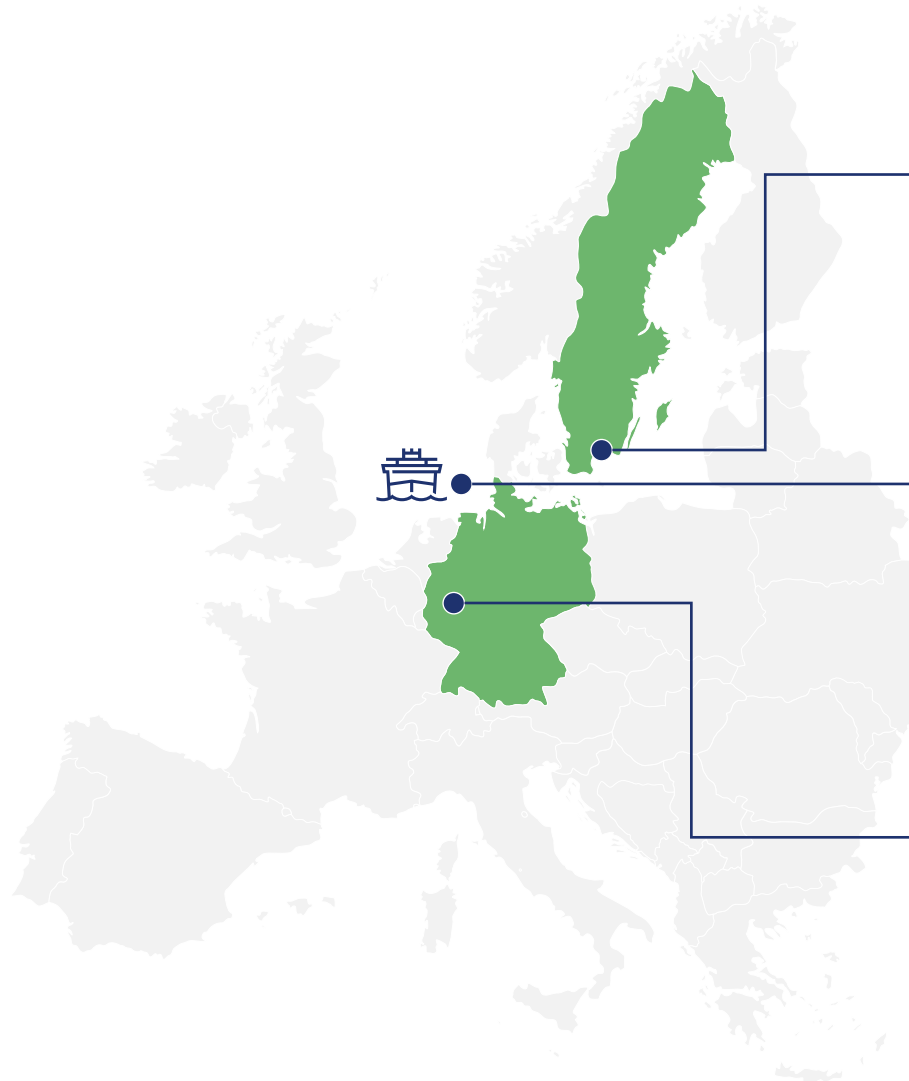
NKT excels in both AC and DC

- Off Offshore AC and DC power cable solutions
- On Onshore AC and DC power cable solutions
- In Installation offshore and onshore

The offered solutions mainly cover:

- Interconnectors
- Offshore wind
- Power-from-shore
- Underground

World leading **turnkey competencies** for high-voltage off- and onshore power cable systems



Karlskrona, Sweden

- Among the largest offshore power cable manufacturing sites worldwide
- One of the world's largest high-voltage test laboratories
- Qualified for AC and DC power cable production



NKT Victoria

- 9,000-ton turntable loading capacity
- Among the largest and most fuel-efficient cable-laying vessels
- Proven track record across technologies and segments



Cologne, Germany

- Longest CCV line in the world allowing to produce best-in class cable lengths
- Qualified for AC and DC power cable production

Over the last years, NKT has **invested significantly** in the two production sites



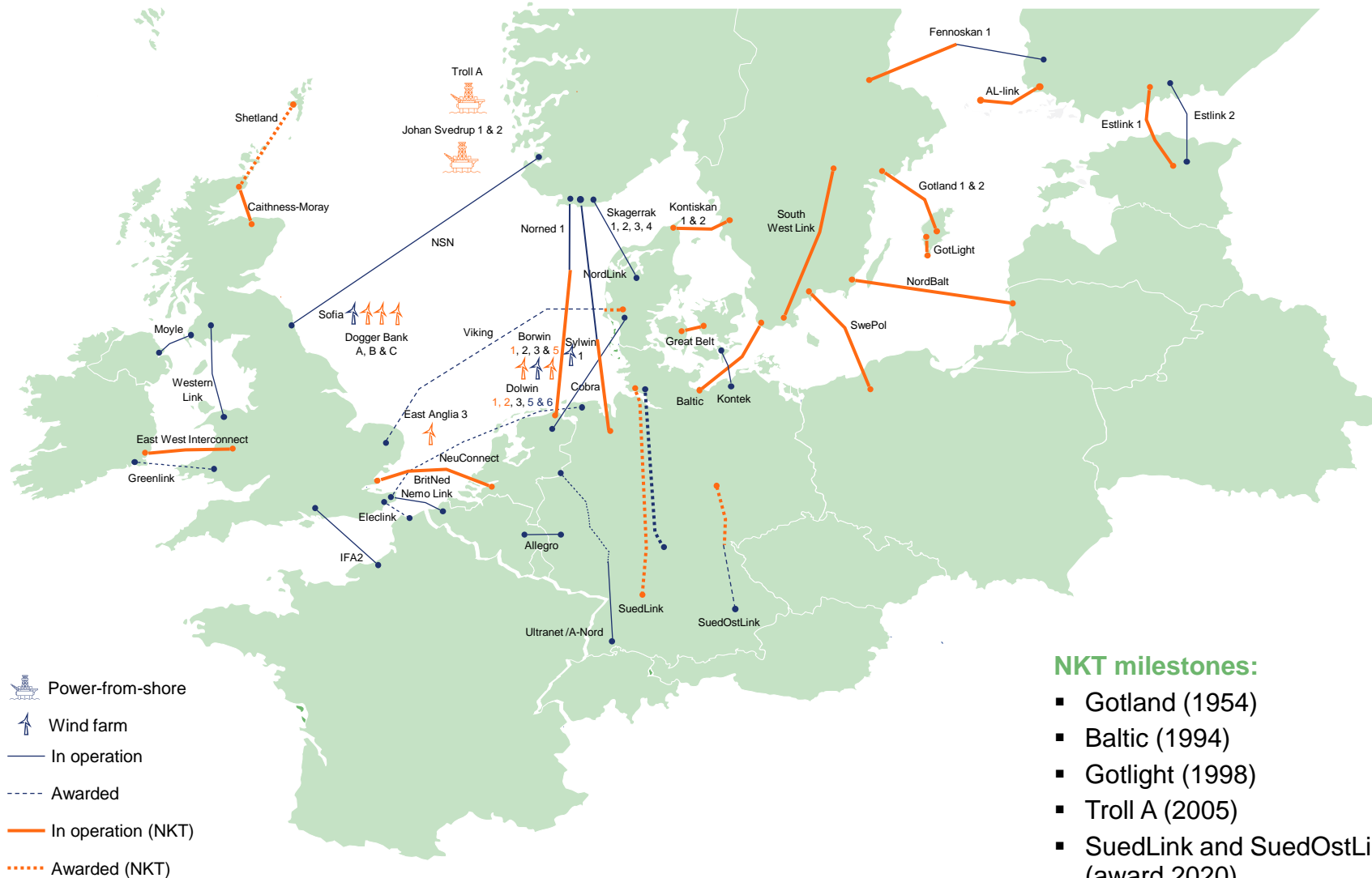
Karlskrona



Cologne



Longstanding footprints in developing the global HVDC market for decades



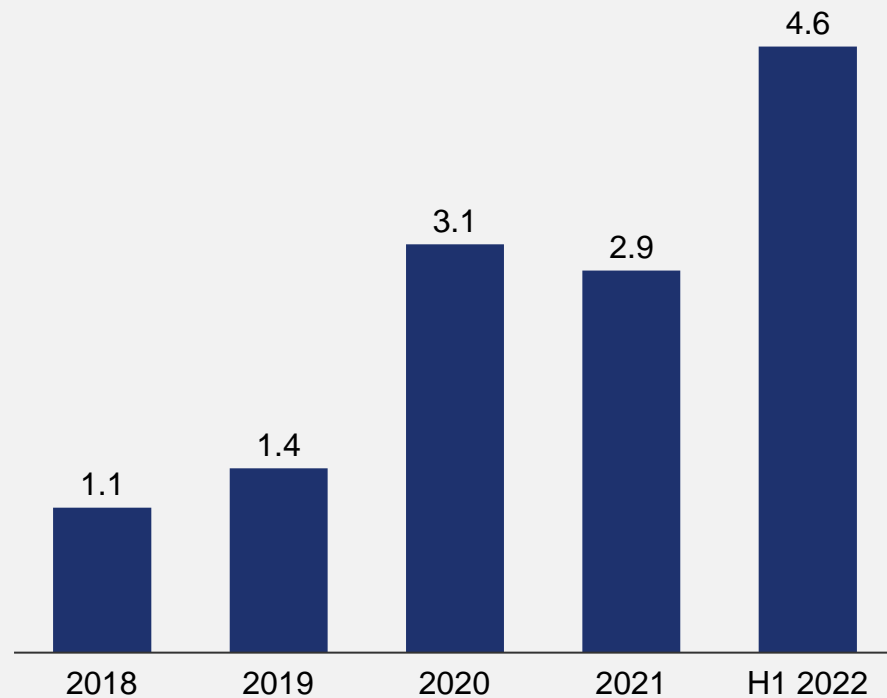
Market leading presence in growing HVDC segment within both XLPE and MI

High-voltage order backlog at all-time high

Order backlog was EUR 4.6bn at end-Q2 2022

Gradual growth in order backlog providing future coverage...

EURbn



...and diverse across application and commissioning

| Application | Project Name | Year | Country |
|------------------|------------------------------------|------|----------------|
| Offshore wind | Ostwind 2 | 2022 | Germany |
| | Dogger Bank A & B | 2023 | United Kingdom |
| | BorWin5 | 2025 | Germany |
| | Dogger Bank C | 2026 | United Kingdom |
| Inter-connectors | Beckomberga-Bredäng | 2023 | Sweden |
| | Viking Link | 2023 | Denmark |
| | Attica-Crete | 2023 | Greece |
| | Shetland | 2024 | United Kingdom |
| | SuedOstLink 1 st system | 2025 | Germany |
| | SuedLink | 2026 | Germany |
| | Champlain Hudson P.E. | 2026 | USA |
| | SuedOstLink 2 nd system | 2027 | Germany |
| Power from shore | Johan Sverdrup 2 | 2022 | Norway |
| | Troll West | 2023 | Norway |



Strong position

- All time high order backlog
- Attractively growing market



Proven execution capability

- Strong project execution skill-set in place
- Significant track record of successfully completed projects
- Highly structured approach to risk management



Long-term success

- Ability to translate current opportunities into profitable results

Execution and risk management are key enablers for NKTs future success

Execution is the foundation for future success

NKT has the proven ability to execute large projects successfully



| | |
|-------------------|-----------------------|
| Project | Johan Sverdrup |
| Segment | Power from shore |
| Technology | DC XLPE |
| Distance | 195 km offshore route |
| Scope | Turnkey |
| Completed | In 2018 |

| |
|---|
| NordLink |
| Interconnector |
| MI DC |
| 209 km (155 km offshore and 55 km land route) |
| Turnkey |
| In 2021 |

| |
|-----------------------|
| Moray East |
| Offshore Wind |
| AC XLPE |
| 180 km offshore route |
| Turnkey |
| In 2021 |

Segments
Interconnector / Offshore
Wind / Power from shore

Technologies
AC & DC and XLPE & MI

Project scopes
Supply-only to turnkey

Project lifetime range
12-48 months

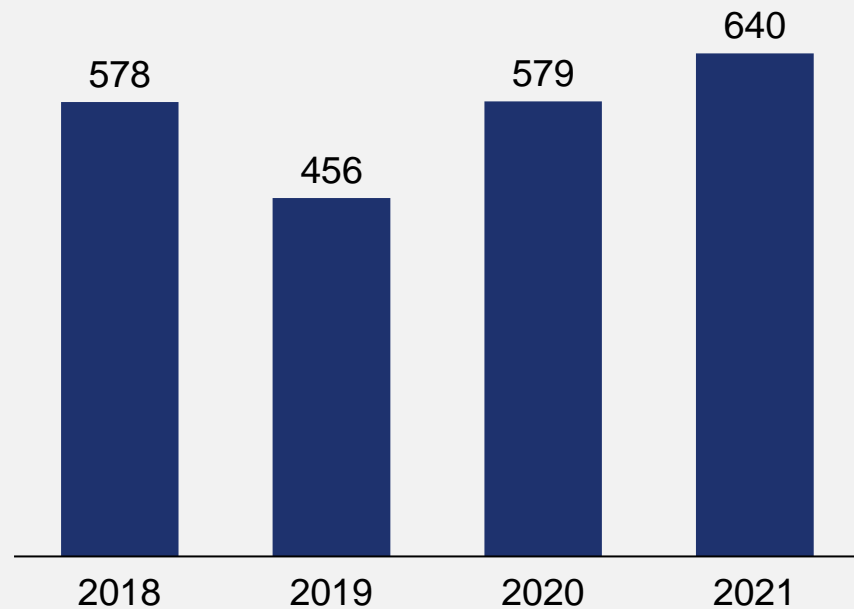
Select recent finalized projects
Borssele Alpha, Borssele Beta,
Caithness Moray, Hornsea 2,
Johan Sverdrup, Martin Linge,
Moray East, NordLink, Triton
Knoll and others

Historical financial performance

Recovery in revenue and earnings

Revenue development

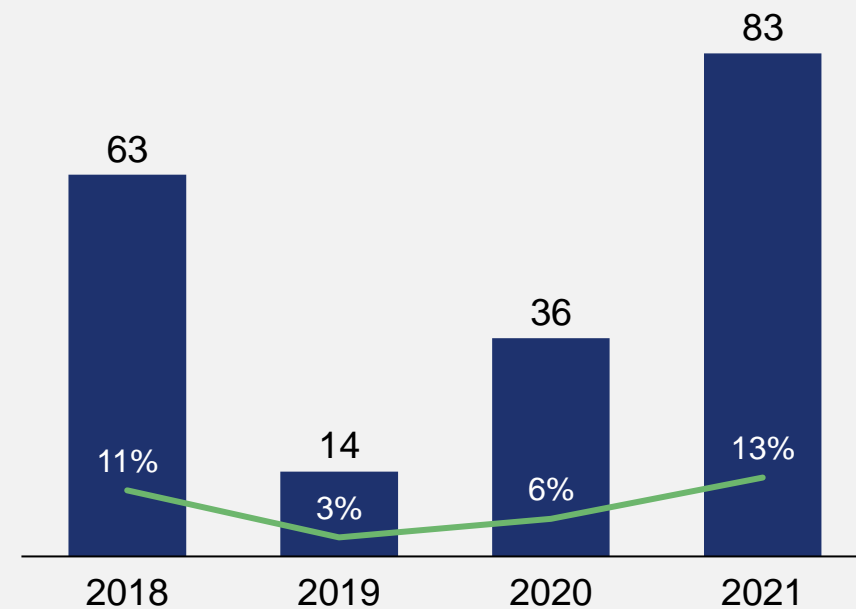
Amounts in EURm



■ Revenue, std. metal prices

Operational EBITDA

Amounts in EURm



— Operational EBITDA margin &, std. metal prices

■ Operational EBITDA, std. metal prices



Flexibility to serve customer



Cost Leadership & ability to balance factory mix



Focused competence and R&D program

Solutions

Karlskrona
Center of Excellence, high-voltage offshore

- DC Offshore
- AC Offshore
- MI DC

Cologne
Center of Excellence, high-voltage onshore

- DC Onshore
- AC Onshore

Strategic focus on HVDC Offshore capability & capacity

Strategic focus on HVDC Onshore capability & capacity

Providing sustainable turnkey solutions with leading technology and quality from two competence centers

Solutions to grow with attractive market opportunities and maintain HVDC technology leadership



Let's grow

Focus on high-voltage DC and AC segment in Europe with selective global opportunities

Continued investment plans to grow with market demand and maintain market share



Let's innovate

Simplify operations and product portfolio to increase competitiveness

Maintain leadership in HVDC technology and develop floating wind, deep-sea and higher voltage systems



Let's drive sustainability

Focus on people and competences

Leading provider of green and sustainable solutions

Q&A



Lunch Break



We are back at 13:25 CET

Video intro

Applications

Michael Yong, Head of Strategy

Applications

Offers a broad range of building wires, low- and medium-voltage power cables supporting the building sector and the European power grids to meet the growing demand for renewable energy



Leading position in key parts of Northern, Central and Eastern Europe



Long-term collaboration with customers and industry partners



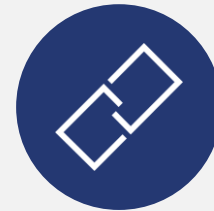
Value-add solutions by customer-centric products, e.g., Telecom Power



Focus on renewables and connecting the green transition



Solutions for easy, ergonomic and safe installation



Work environment of trust and safety fostering entrepreneurs

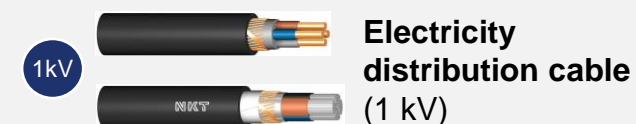
Product portfolio serves broad scope of the power grid from distribution to consumption



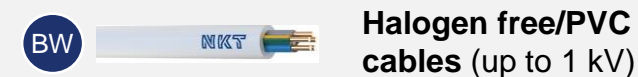
Medium-voltage cables



1 kV cables



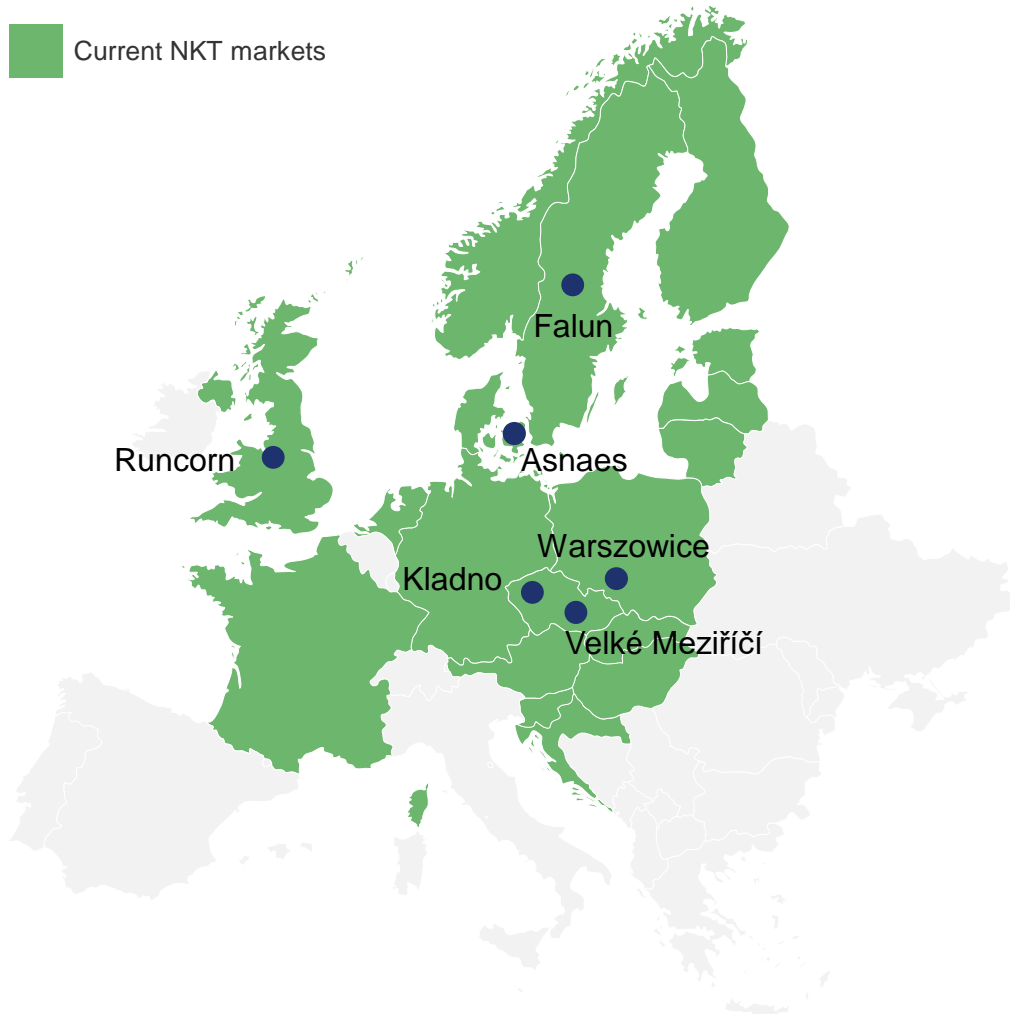
Building wires



Telecom power cables



Markets are served from strong centres of excellence



| Production site | T'com | BW | 1 kV | MV | HV | Fire resistant |
|-----------------|-------|----|------|----|----|----------------|
| Falun | ● | | ● | ● | ● | |
| Asnaes | | | ● | ● | | |
| Runcorn | | | | | | ● |
| Warszowice | | ● | | | | |
| Kladno | | | ● | | | |
| Velké Meziříčí | | | | ● | | |

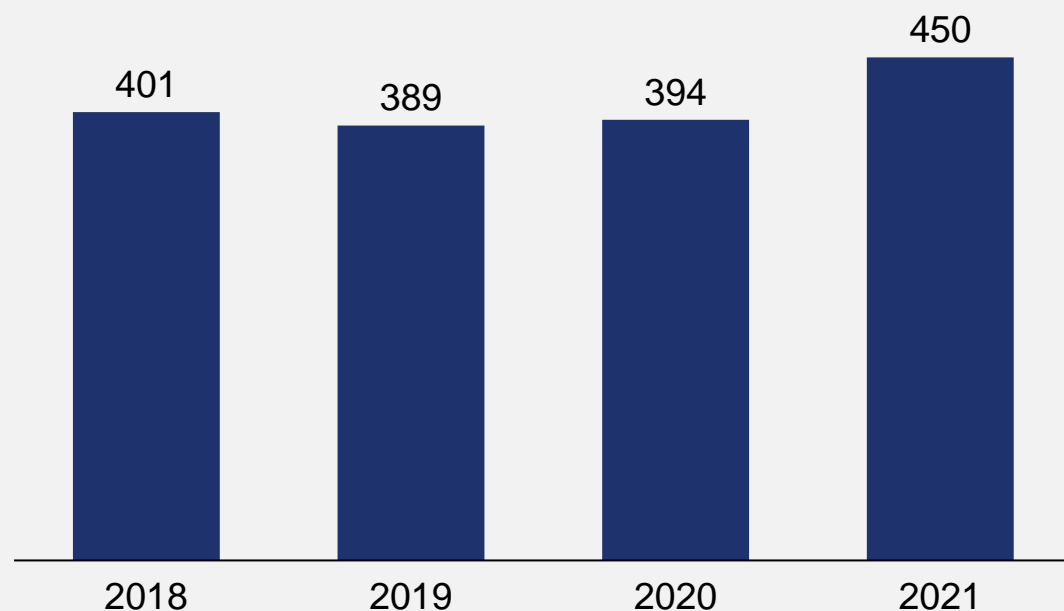
Historical financial performance

Significant profitability improvement since 2019



Revenue development

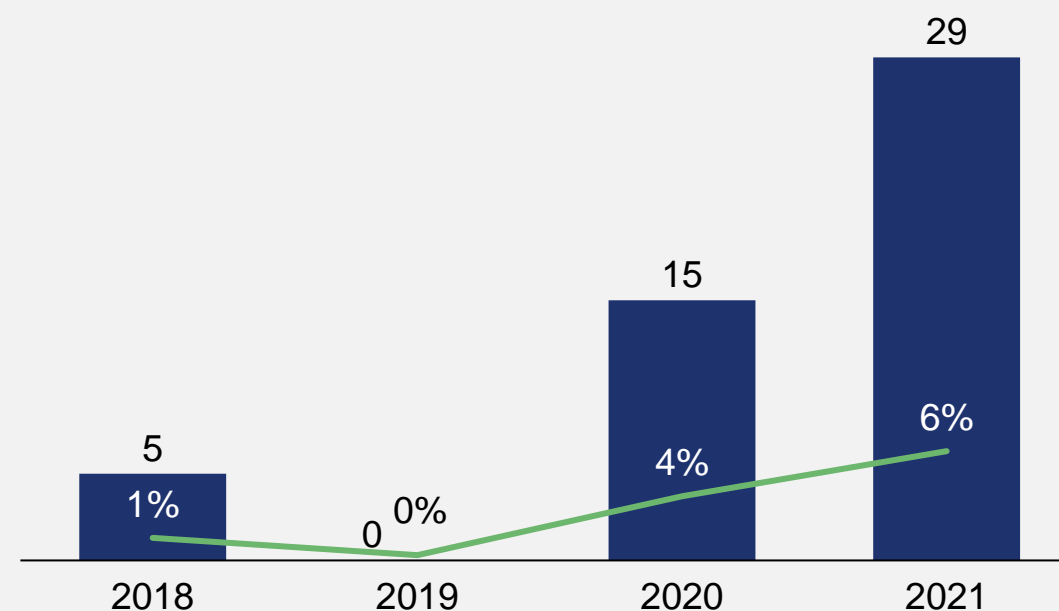
Amounts in EURm



■ Revenue, std. metal prices

Operational EBITDA

Amounts in EURm



— Operational EBITDA margin, std. metal prices

■ Operational EBITDA



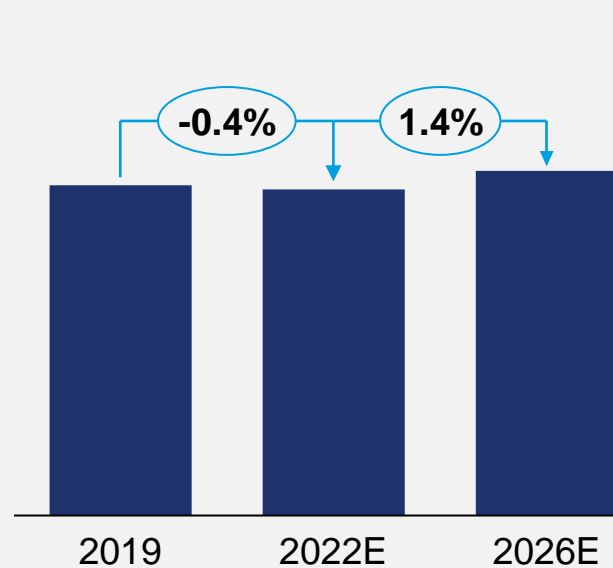
Market growth is expected to step up in the years ahead



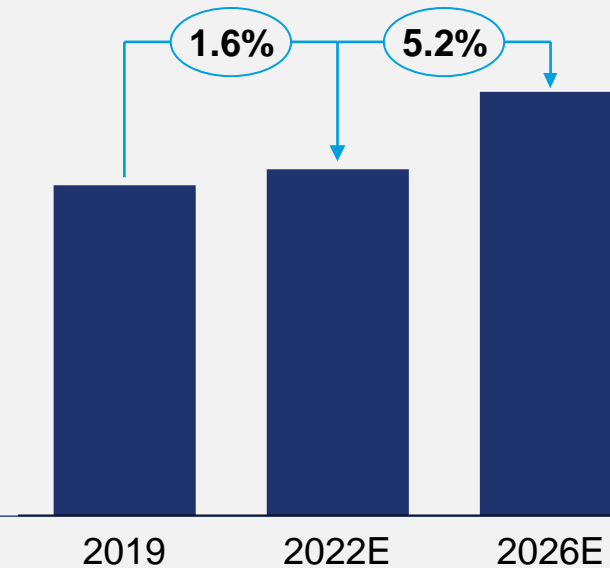
NKT has outgrown the market in the past years through organic growth

European power cable market volume development

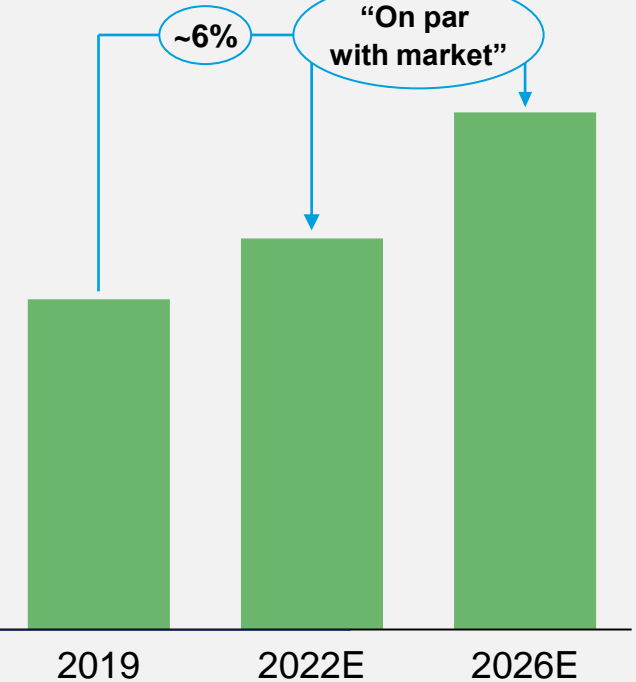
LV power cable market volume



MV power cable market volume



Applications sales volume development



Note: Indexed market volumes based on 2019 as base year. Growth rates are CAGR.

Source: CRU (LV) and Maia Research (MV)

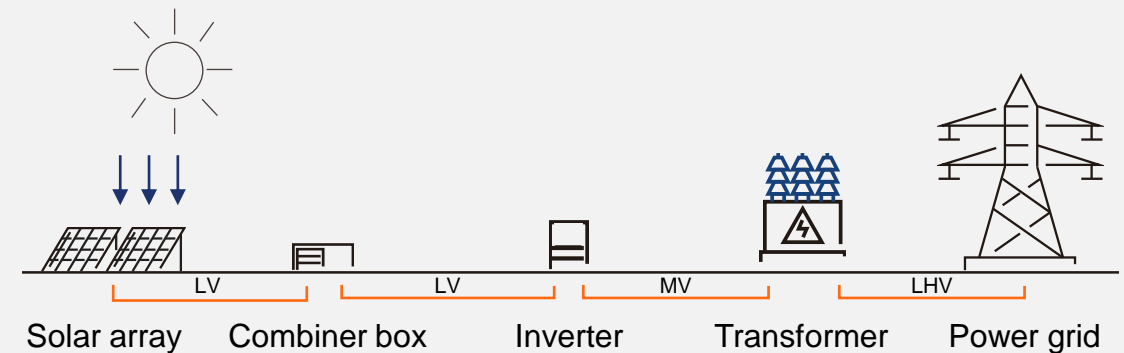
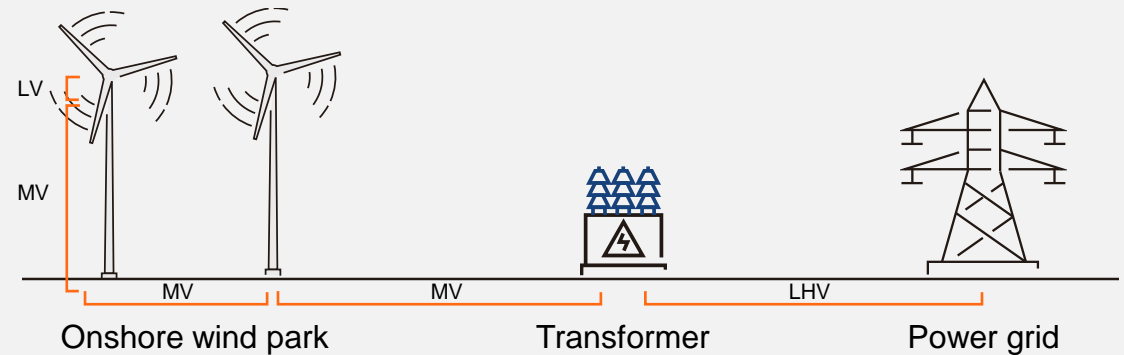
Renewable energy and green transition will offer attractive market opportunities for Applications

Onshore wind and solar power generation to grow...

3x expected in annual **global Wind** electricity generation in GW from 2020 to 2030

6x expected in annual **global Solar** electricity generation in GW from 2020 to 2030

... and will require power cables



Source: IEA World Energy Outlook 10/2021, "Net Zero Pathway"; NKT desk research
*all data represents net zero pathway scenario

Future Applications performance will be driven by growth and further operational improvements



Let's grow

Keep market share in core markets while increasing presence in non-core markets

Invest selectively into debottlenecking of existing sites and adding capacity



Let's innovate

Continue improvements and digitalization of operational and commercial excellence

Expand product portfolio of renewables and telecom power cable solutions



Let's drive sustainability

Increase focus on servicing the renewable market to support the green transition

Video intro

Service & Accessories

Axel Barnekow Widmark, Head of Service

Service & Accessories

Offers a variety of both on- and offshore accessories and power cable services to maximize the utilization of power cable systems ensuring reliable and long-term performance



Trusted partner for the whole lifecycle of a power cable system



Leading power cable repair capabilities



Expertise in maintenance and operations services



Customized portfolio of power cable accessories for 12 - 550 kV



Market leading and at a technology forefront



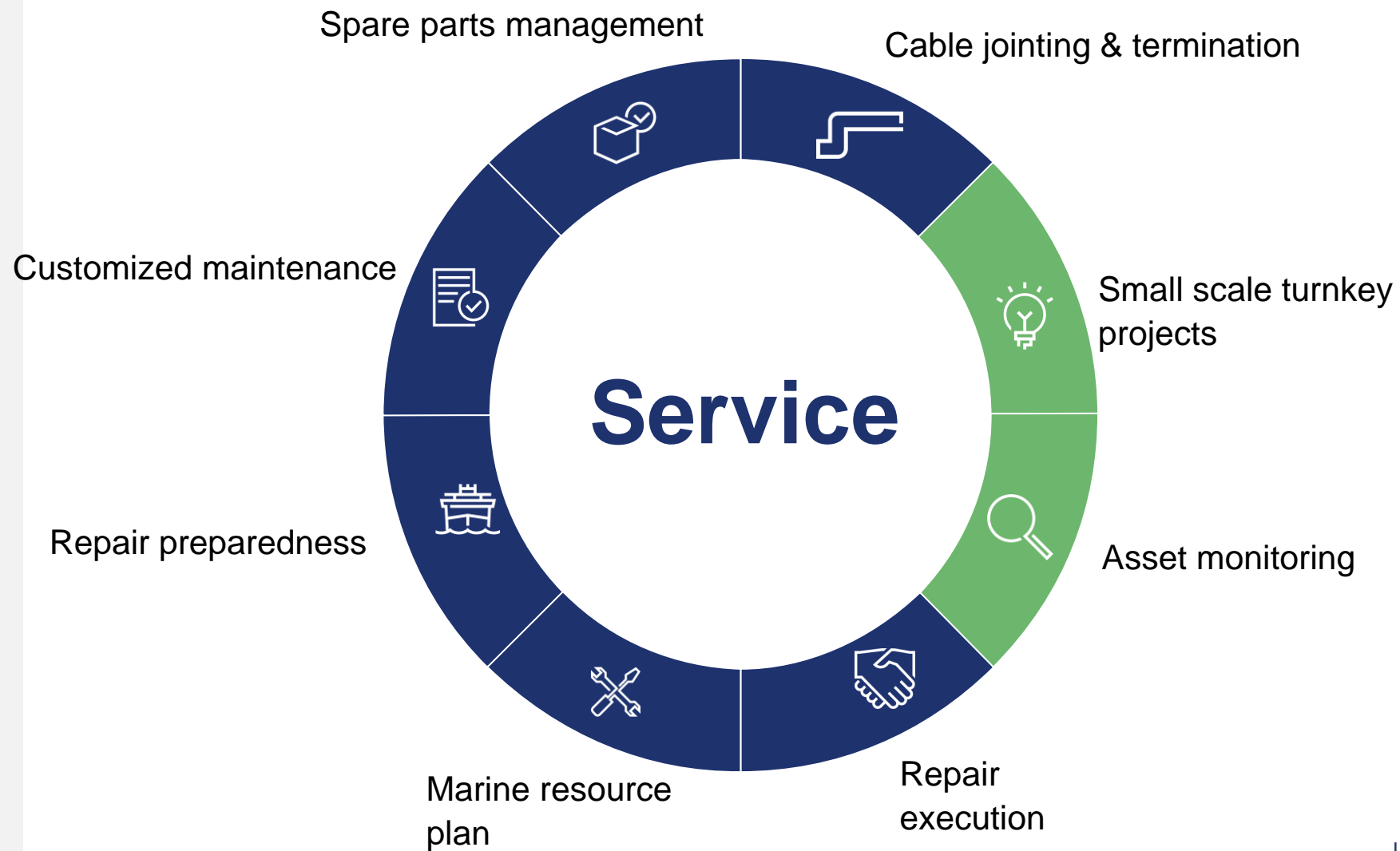
Proven track record for more than 130 years



Geographical footprint of key locations

● Accessories production sites ● Service hubs

A lifetime service provider offering tailored offshore and onshore solutions



High quality power cable accessories ensure efficient transmission and distribution from production to consumption



Ter



Terminations

Connects cable ends to consumers or overhead lines

Con



Connectors

Connects cable ends to switchgear or transformer

Joi



Joints

Connects two cable ends

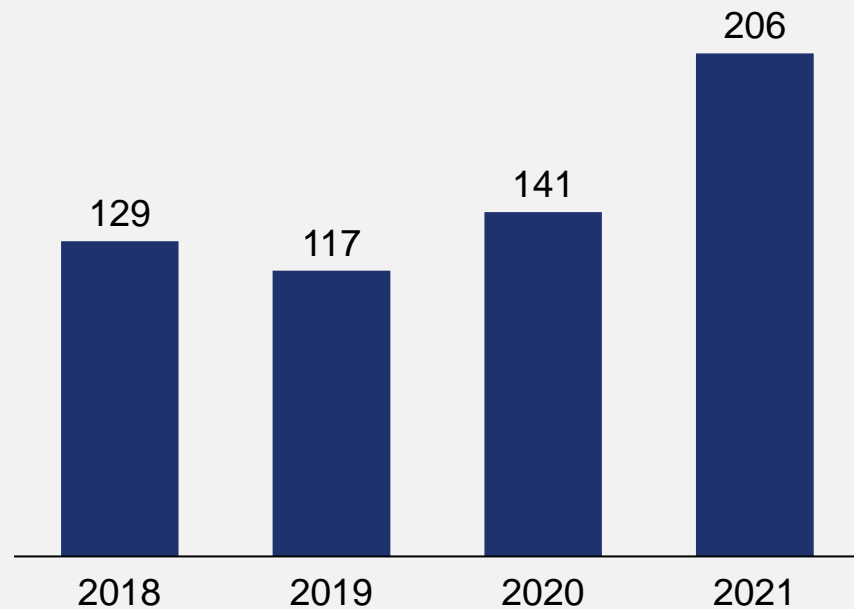
Historical financial performance

Steady earnings development



Revenue development

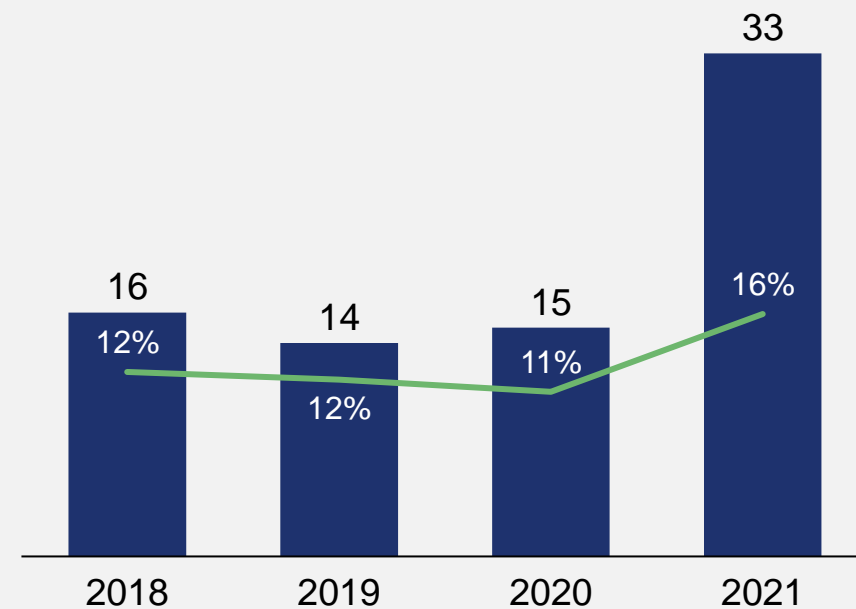
Amounts in EURm



■ Revenue, std. metal prices

Operational EBITDA

Amounts in EURm



— Operational EBITDA margin, std. metal prices

■ Operational EBITDA

NKT to expand high-voltage installation and service footprint



Build on historical and current projects



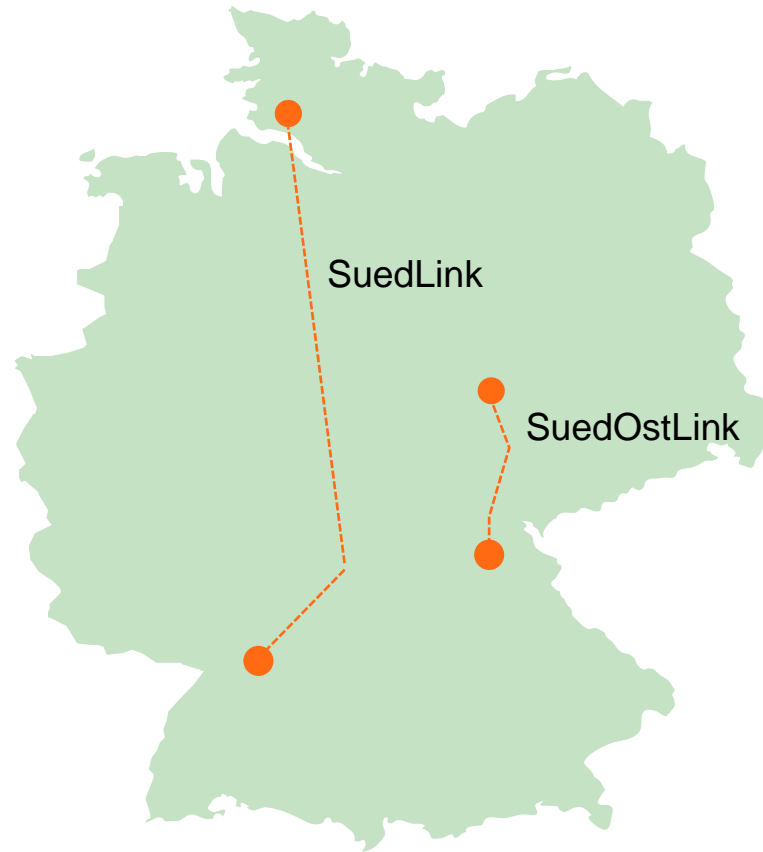
Leverage on position as leading provider for retrofitting in Europe



Enter with a modular approach, both in portfolio and geography

Service has expanded its service network with operations in Gdansk, Poland, and Manchester, UK, and is preparing for expansion in USA.

German Corridor projects – Accessories is a key supplier to these large projects



Business lines Solutions, and Service & Accessories complement each other on these projects

Total number of Accessories needed

+1,700



Future Service & Accessories growth will be driven by tailored products and expertise in service offerings



Let's grow

Increase services to existing customers

Expand geographical coverage

Pursue business opportunities such as renewables



Let's innovate

Strengthen specialized competence centers

Add new products to enter further customer segments

Drive commercial excellence, focusing on tender processes, pricing and efficiency



Let's drive sustainability

Focus on people and competences

Efficient repairs and preventive maintenance increases the flow and reliability of green power

Reliable service provider enables the green transition

Q&A



Coffee Break



We are back at 14:35 CET

A photograph of two female scientists in a laboratory setting, wearing white lab coats and safety glasses. They are both smiling and looking down at something out of frame. The image is overlaid with a semi-transparent blue and green gradient. The text 'Video intro' is written in a white, serif font across the middle of the image.

Video intro

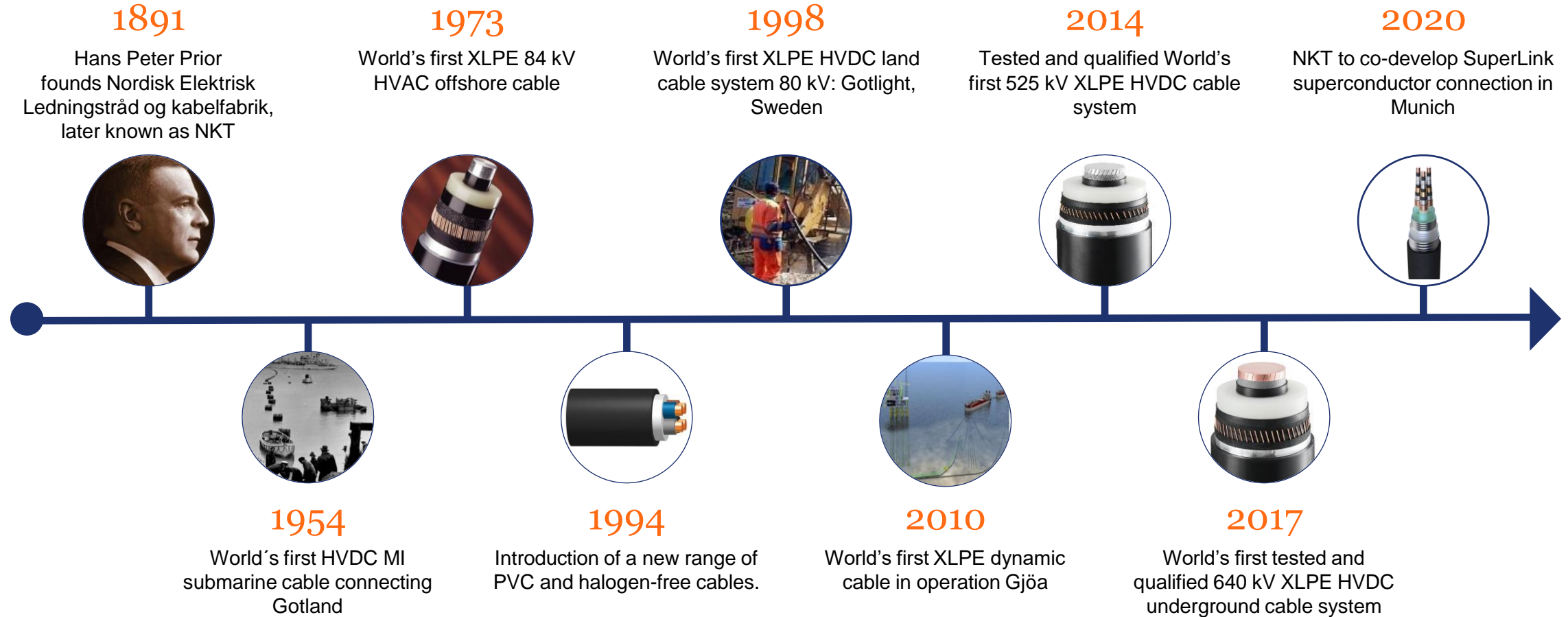
Technology

Anders Jensen, Chief Technology Officer

Pioneering the cable industry

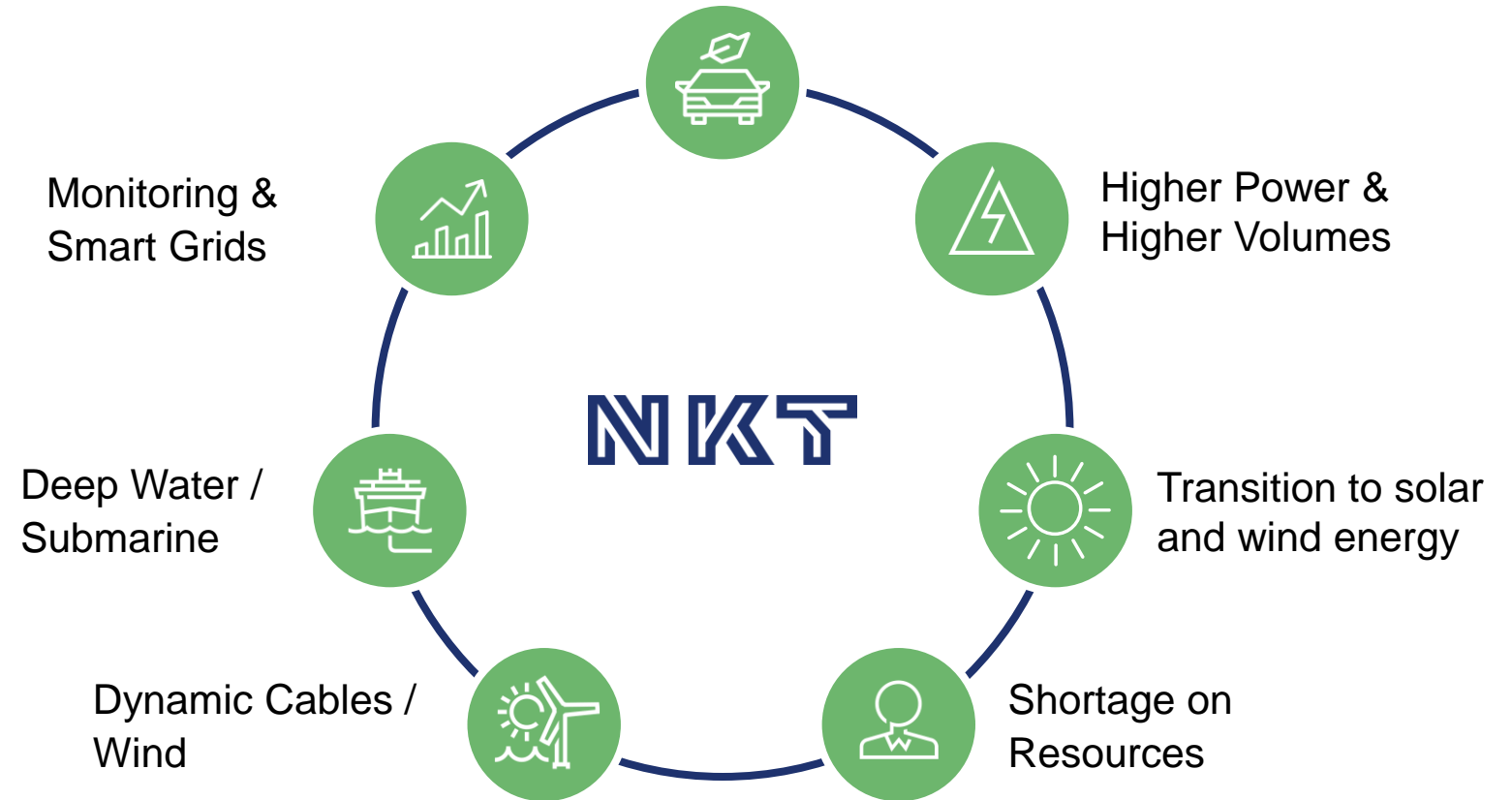


A proven track record of valuable solutions for +130 years



Technology Roadmap to reflect global trends and challenges

Changes in Energy Generation & Power Flow





Most advanced high-voltage test centres in the industry



Power cable technology for deeper sea, dynamic cables, lower losses and higher performance



Next generation of HVAC and HVDC power cable systems



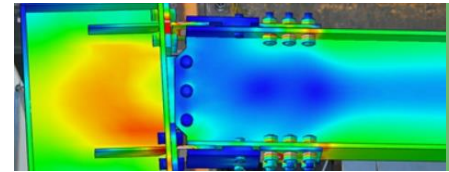
New sustainable materials ensuring high product performance and minimal environmental impact

Innovation and
R&D for **renewable**
power transmission

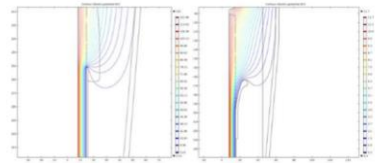
Strong and growing R&D and engineering competence centers



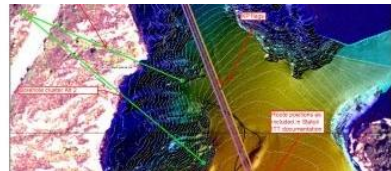
Global Competency Centre, Chennai and Mumbai, India



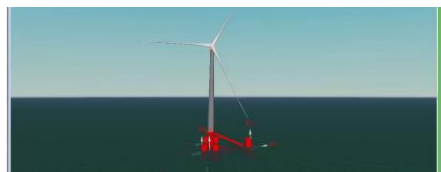
Testing



Engineering



Simulations



Installation Engineering
& Tendering

Technology Consulting, Västerås, Sweden



Chemistry



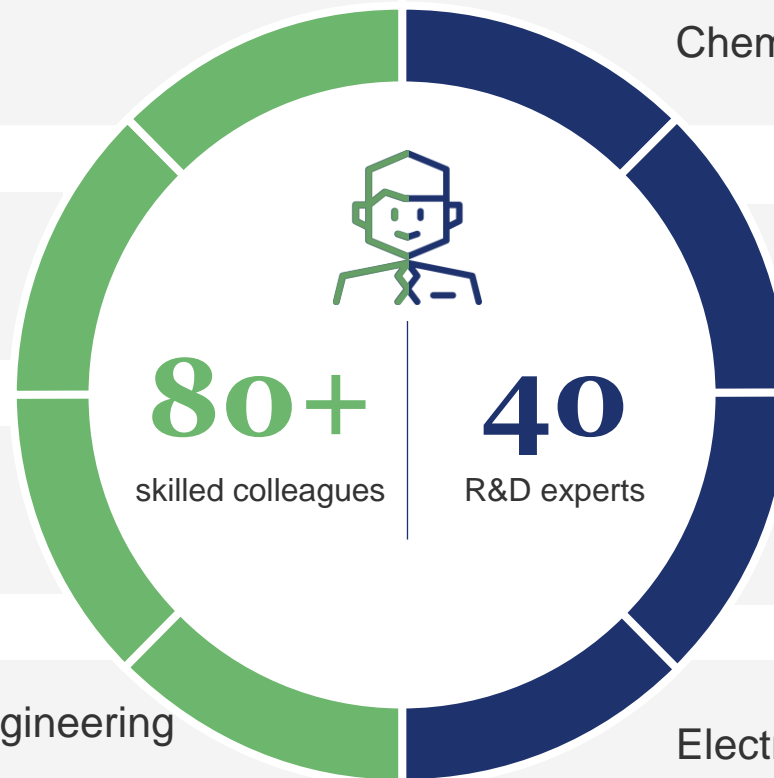
Materials



Mechanics



Electrical testing



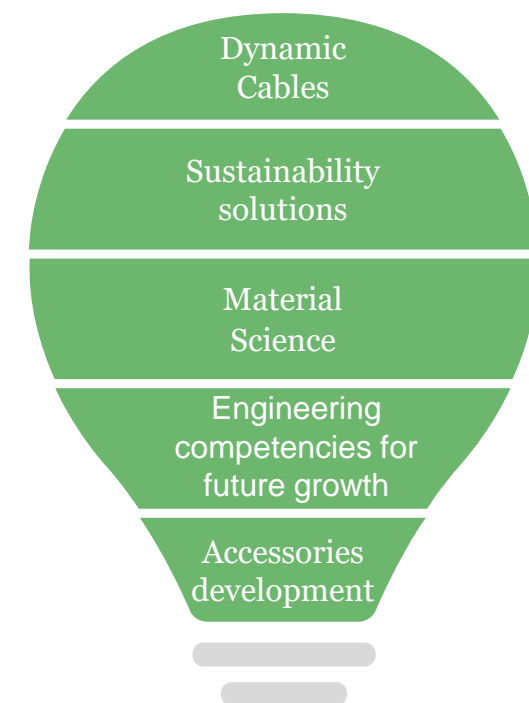
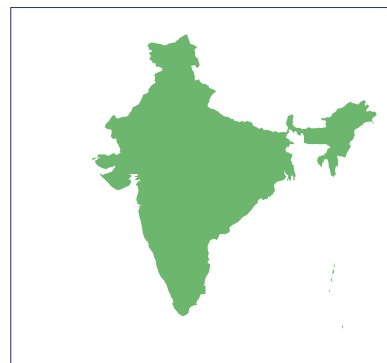
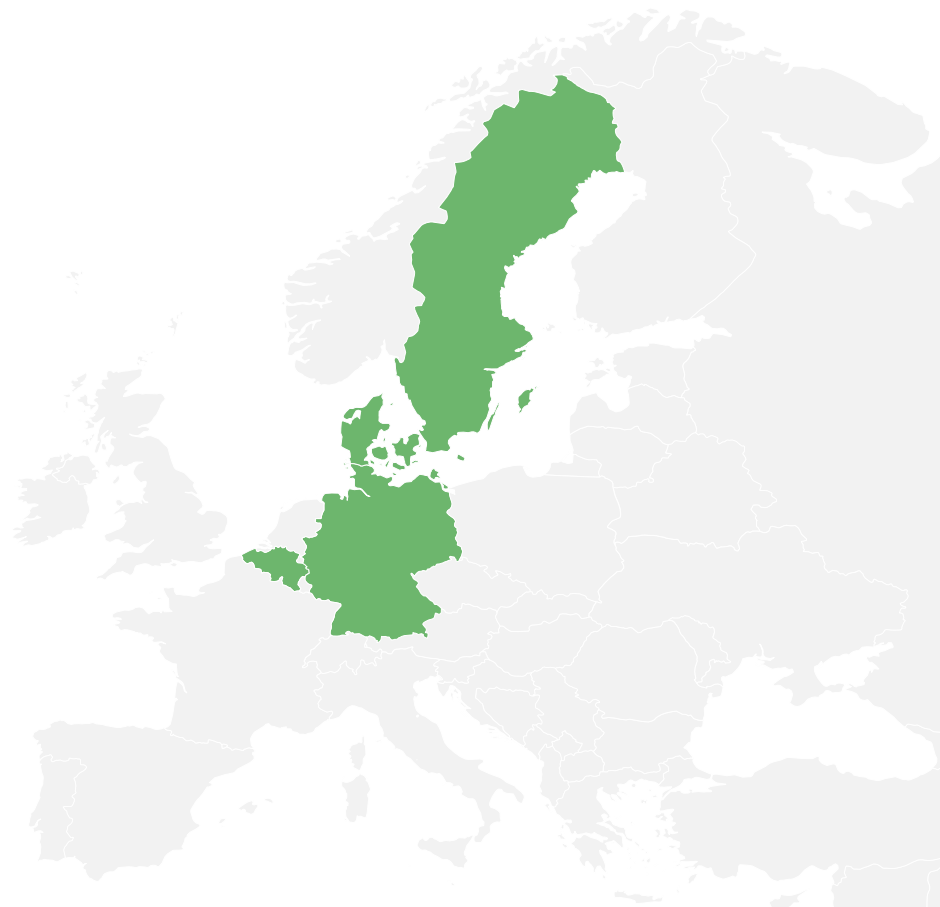
80+

skilled colleagues

40

R&D experts

Engaged in **strong collaboration** with key technology institutions and universities to develop new state-of-the-art products



For ReNew BOOST, NKT will drive innovation forwards



Enabling the green transition and securing a better world for future generations



Let's Grow



Let's Drive Sustainability

Let's Innovate

Maintain technology leadership
Increase open collaboration

The NKT logo is positioned in the top right corner of the image. It consists of the letters 'NKT' in a bold, white, sans-serif font. The background of the entire image is a dark, blue-tinted photograph of an industrial facility, likely a refinery or chemical plant, with various structures, pipes, and a large crane visible. The scene is reflected in a body of water in the foreground. A large, semi-transparent blue triangle is overlaid on the left side of the image, containing the text 'Video intro'.

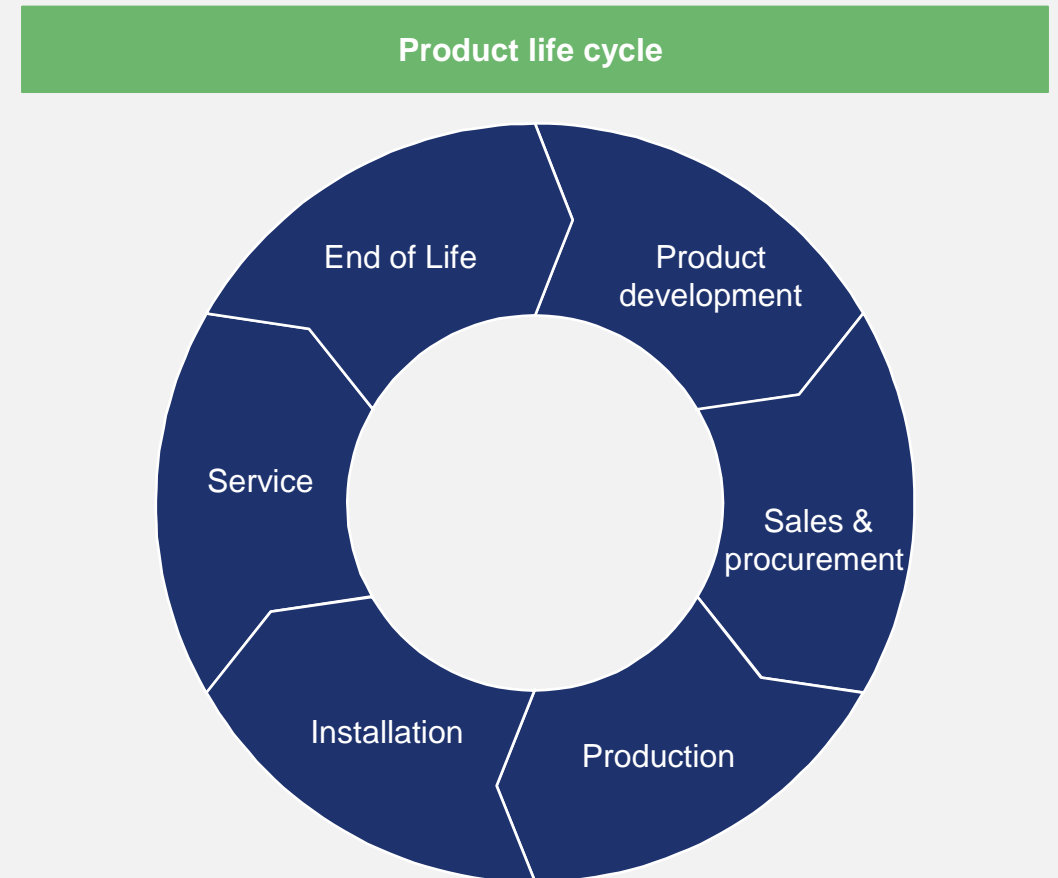
Video intro

The NKT logo is positioned in the top right corner of the image. It consists of the letters 'NKT' in a bold, white, sans-serif font. The background of the entire image is a photograph of an industrial facility, likely a refinery or chemical plant, with a large ship docked at a pier. The scene is dimly lit, with lights reflecting on the water. The image has a blue and green color overlay. The ship's name 'NKT VICTORIA' is visible on its side, and the 'NKT' logo is also present on the ship's superstructure. In the background, there are large industrial structures, including a tall crane and a large cylindrical tank, all illuminated by lights. The water in the foreground is dark, with reflections of the lights from the ship and the industrial facility. The overall atmosphere is industrial and professional.

ESG

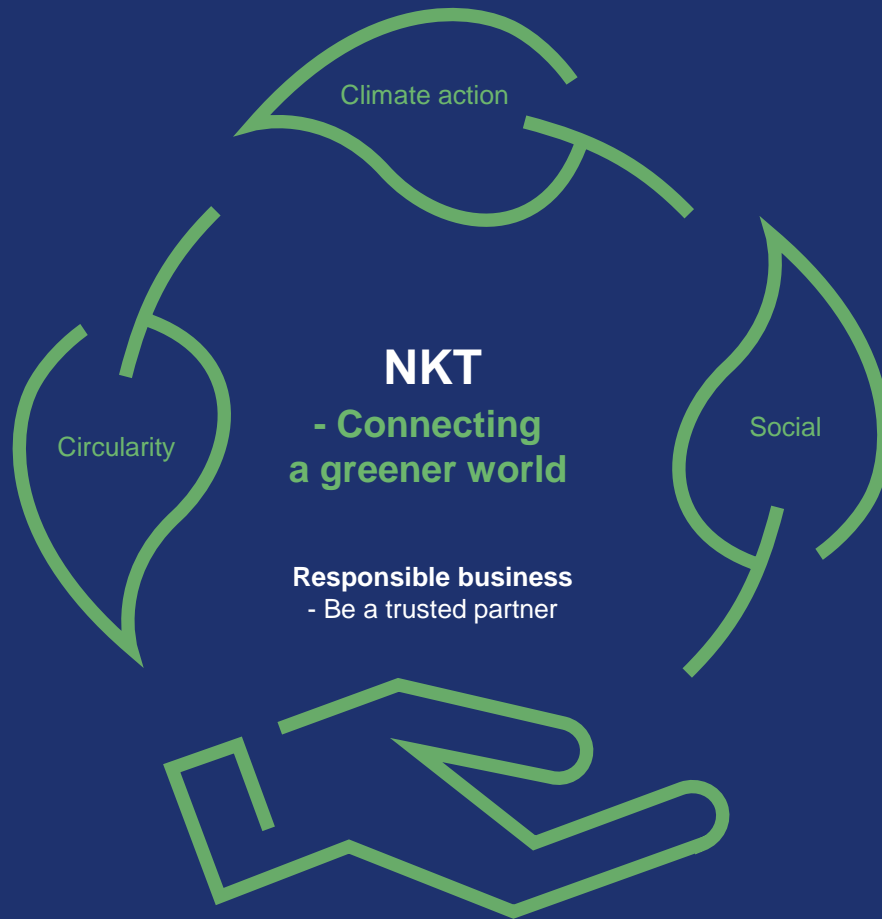
Michael Hjorth, Chief Commercial Officer HV Solutions and
Kira Johnson, Chief Human Resources Officer

Sustainability in NKT has a clear governance structure and is fully integrated into the operational organization and its processes



NKT ImpACT

Sustainability strategy 2030



Climate change

NKT has set a target of 90% reduction of scope 1 and 2 by 2030. NKT has also committed to Science Based Target initiative to become a net zero company by 2050.

Sustainable value proposition and circularity

Sustainable value proposition through the lifecycle of products and solutions, and actively pursue zero waste through circularity.

Social capital

Be a fair, inclusive, attractive and safe workplace empowering trust, personal growth and engagement.

ESG ratings



NKT is a top performer in the power cable industry



- NKT is rated in the Leadership (A-) band
- NKT is among the 21% of companies reaching Leadership level in the group "Electrical and electronic equipment"



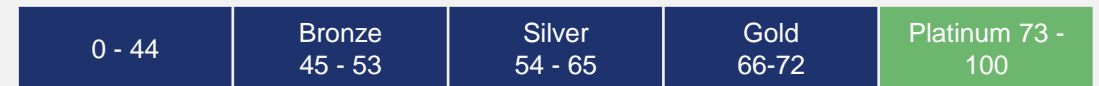
- Rated 16.8 (Low risk) in September 2021 and was assessed to be at low risk of experiencing material financial impacts from ESG factors
- It places NKT 4th percentile in the Electrical Equipment industry assessed by Sustainalytics



- In 2021, NKT received a rating of AA in the MSCI ESG Ratings assessment
- It places NKT in the group among Leaders



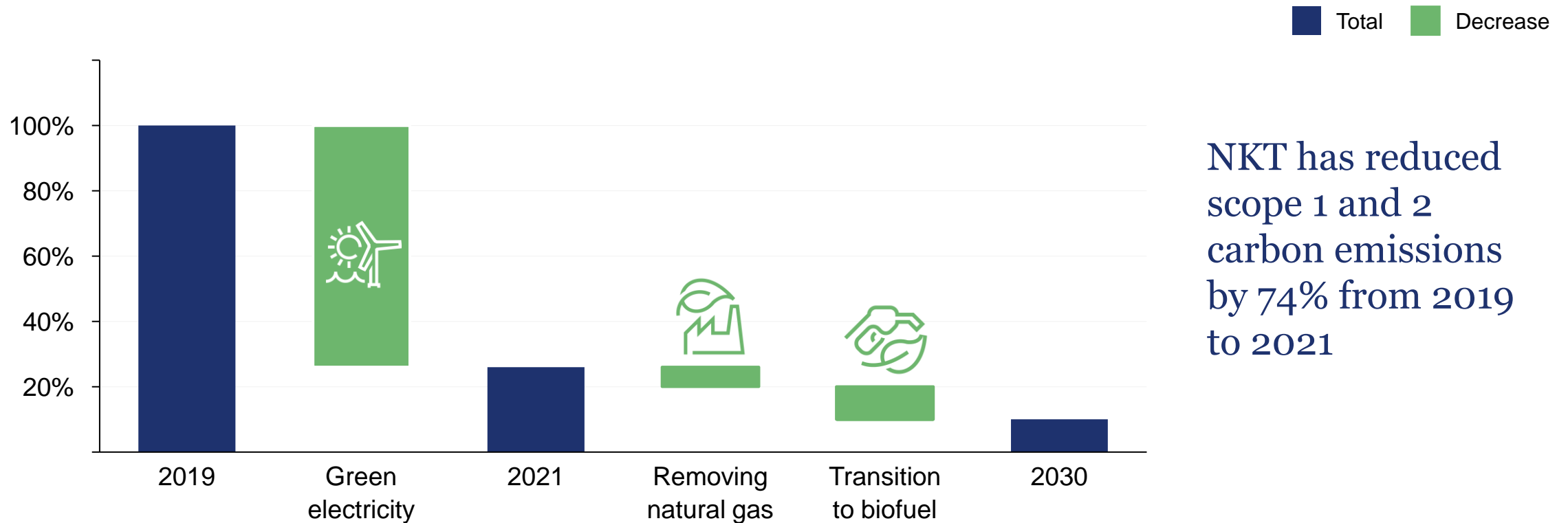
- Rated 83 of 100 points in 2022, awarding us with a Platinum Rating within the industry "manufacture of wiring and wiring devices"
- It places NKT among 1% best companies in total



Climate change

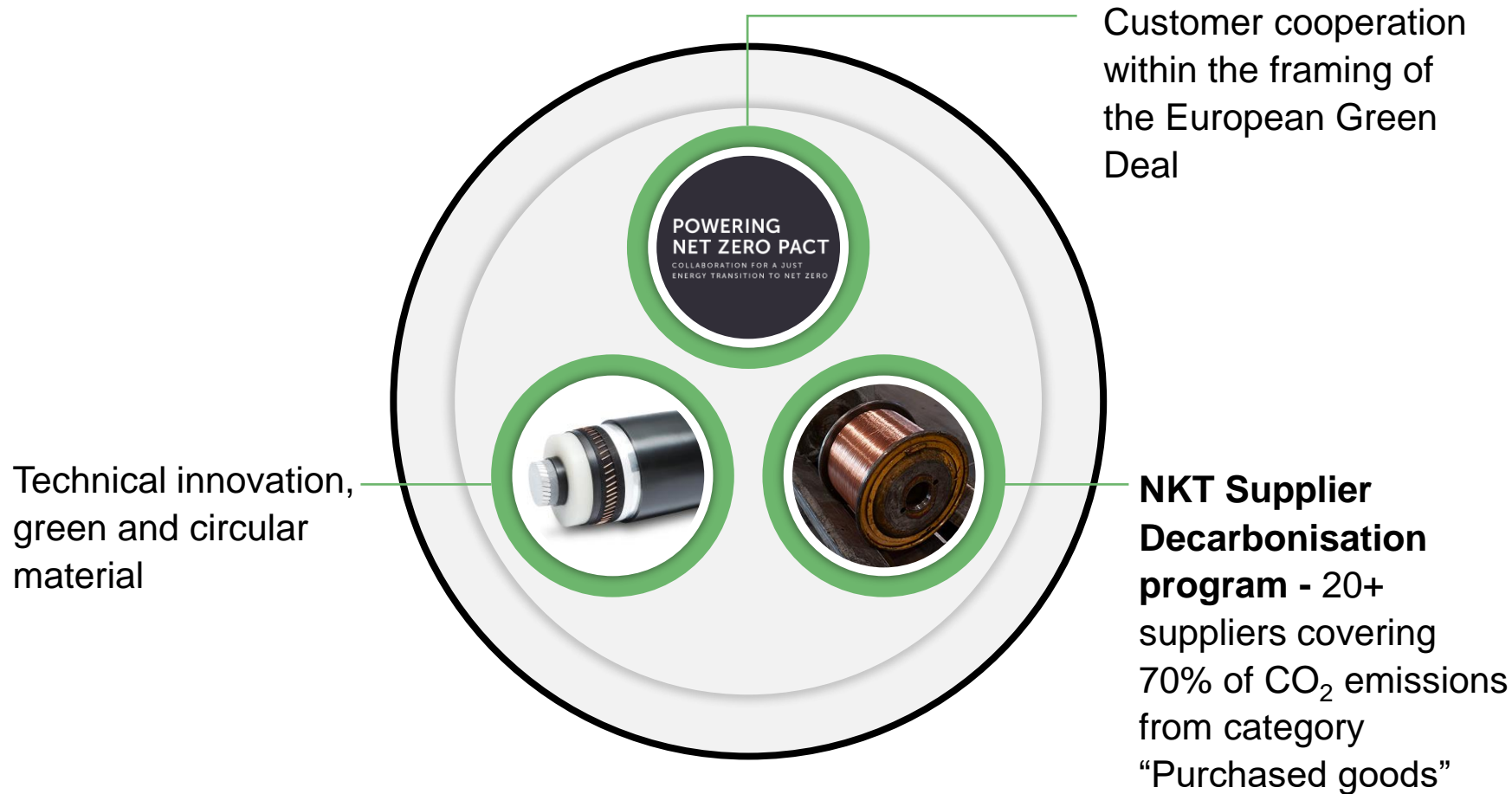
90% reduction of scope 1 and 2 by 2030 (vs base year 2019)

Carbon emission reduction plan



NKT has reduced scope 1 and 2 carbon emissions by 74% from 2019 to 2021

Sustainable value proposition and circularity



Supply chain and product decarbonisation – solutions with a low carbon footprint

NKT reduces carbon footprint of power cables to Dogger Bank C offshore wind farm by using **low-carbon copper**



Dogger Bank C

Part of the world's largest windfarm, Dogger Bank, which will supply green power for more than 6 million UK homes when in operation

NKT HV Cables

2x250 km total system length

320 kV DC XLPE offshore export power cables

Low-carbon copper

Low-carbon copper reduces carbon footprint of the HV cable systems by more than 23,000 metric tons of CO₂

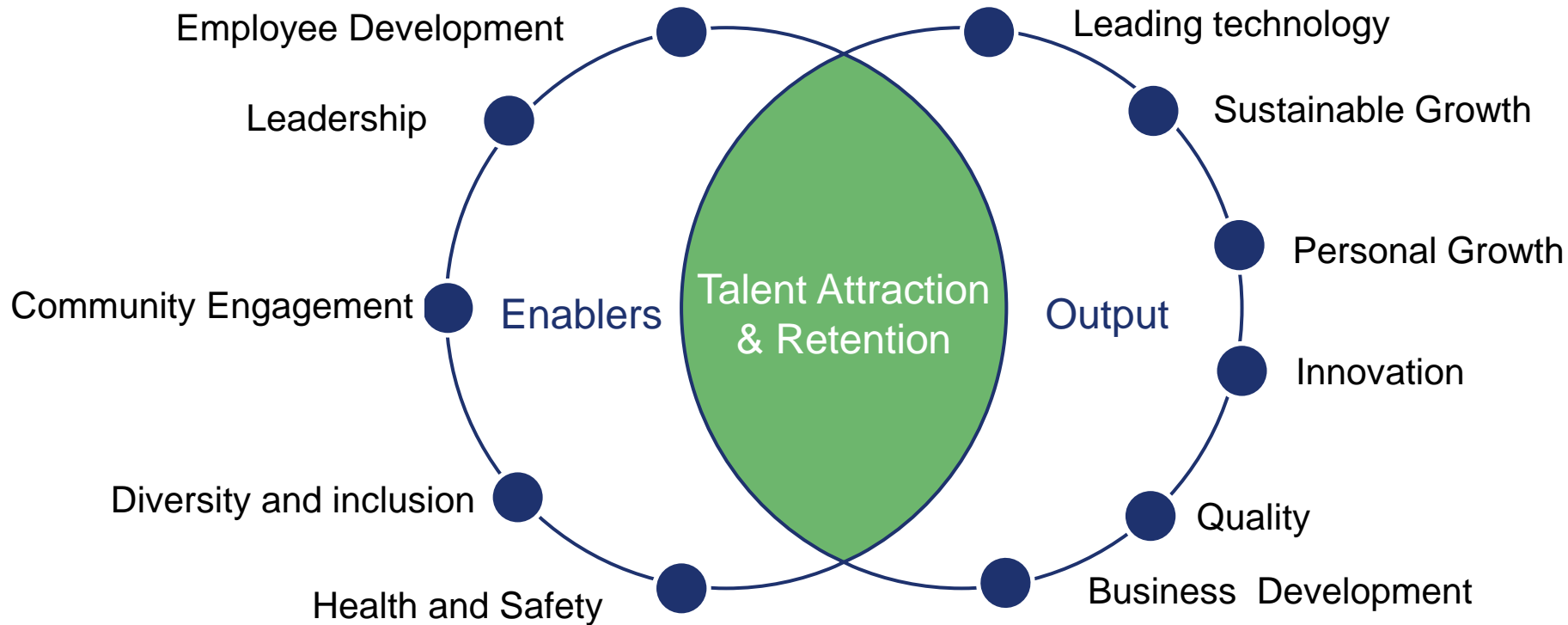
CO_{2e} reduction
of Dogger
Bank C power
cables
=
Annual
emissions from
7,700 average
family cars

Social Capital

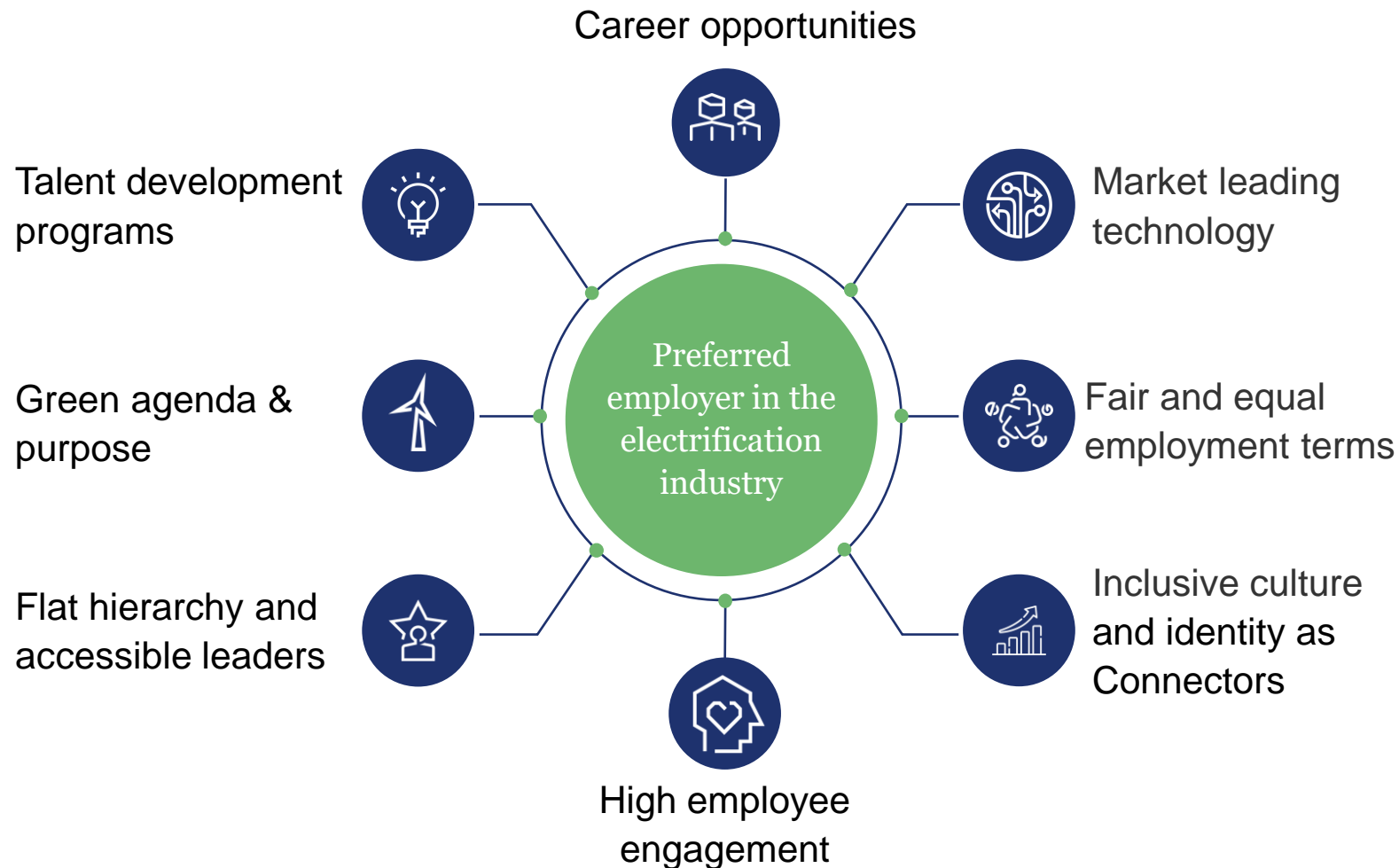
NKT aims to be the preferred employer in the electrification industry



Build a safe and inclusive workplace, based on trust and professional development to create value for people, NKT, and stakeholders



How can NKT achieve the goal of being the preferred employer?



Main levers for attracting and retaining talent

Talent

≥ 74%

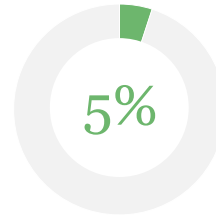
Favourable answers in annual employee survey on employee engagement

Engagement questions:

- Satisfaction with NKT as a workplace
- Pride to work for NKT
- Wish to continue working with NKT
- Recommendation of NKT as a workplace



Maximum attrition for employees



Maximum attrition for identified talents

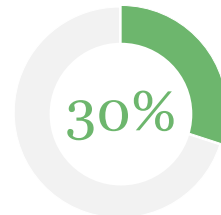
Diversity and inclusion

≥ 74%

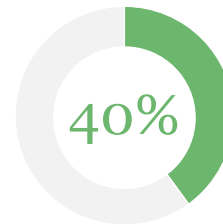
Favourable answers in annual employee survey on diversity and inclusion

Diversity and inclusion questions:

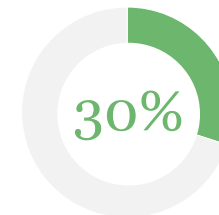
- Leadership commitment
- Value of diverse perspectives
- Work life balance
- Sense of belonging
- Possibility to be a success regardless of background



Female New Hires



Female members of the Board of Directors



Female members of the Group leadership & Extended leadership

Social Capital
2025 targets to achieve mission for social capital

Note: Talent / Diversity and inclusion score targets are based on annual employee survey results which are measured on a scale from 0-100.

For ReNew BOOST, NKT will drive sustainability forward



Enabling the green transition and securing a better world for future generations

Let's Innovate



Let's Grow

Let's Drive Sustainability

Journey to Net Zero

Talent attraction and retention

Video intro

Financials

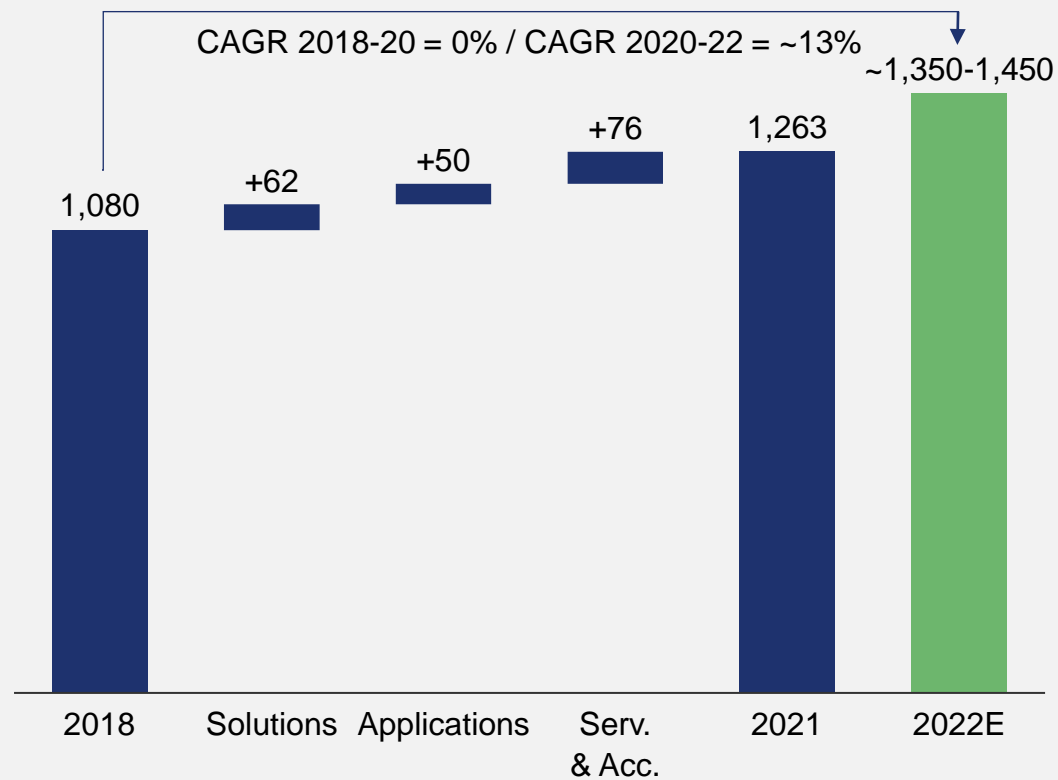
Line Fandrup, Chief Financial Officer

NKT financial performance

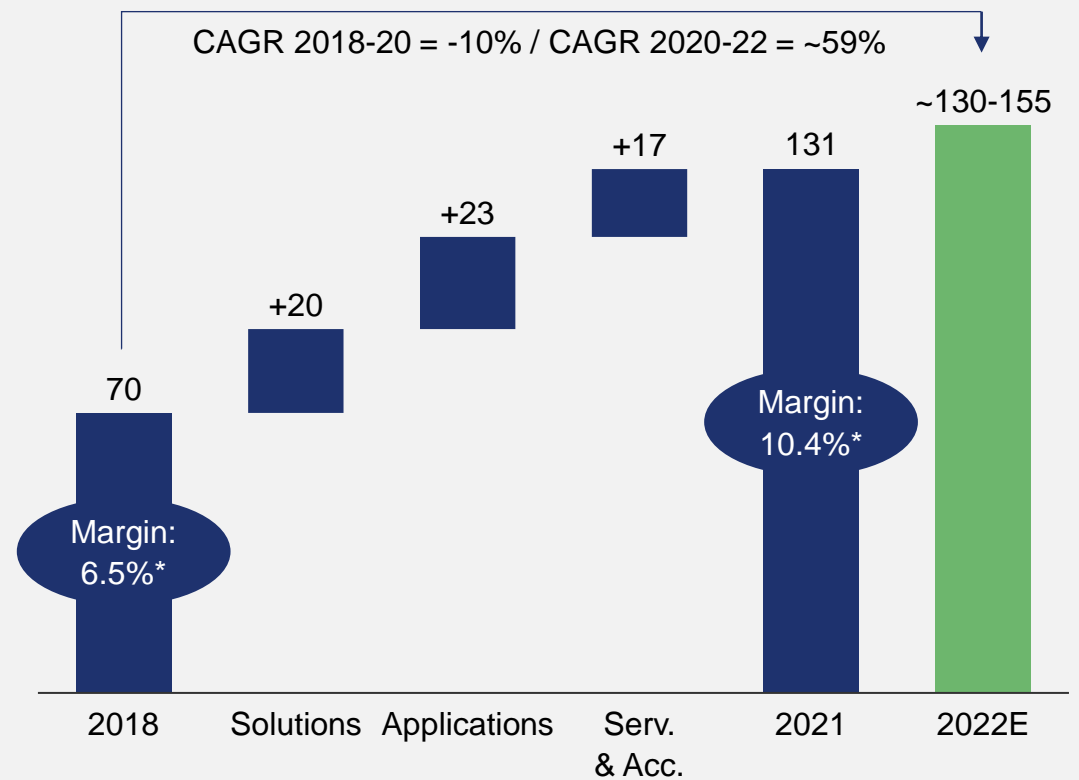


Broad-based improvement driven by operational improvements and the green transition

Revenue, std. metal prices (EURm)



Operational EBITDA (EURm)



* Operational EBITDA as percentage of revenue, std. metal prices

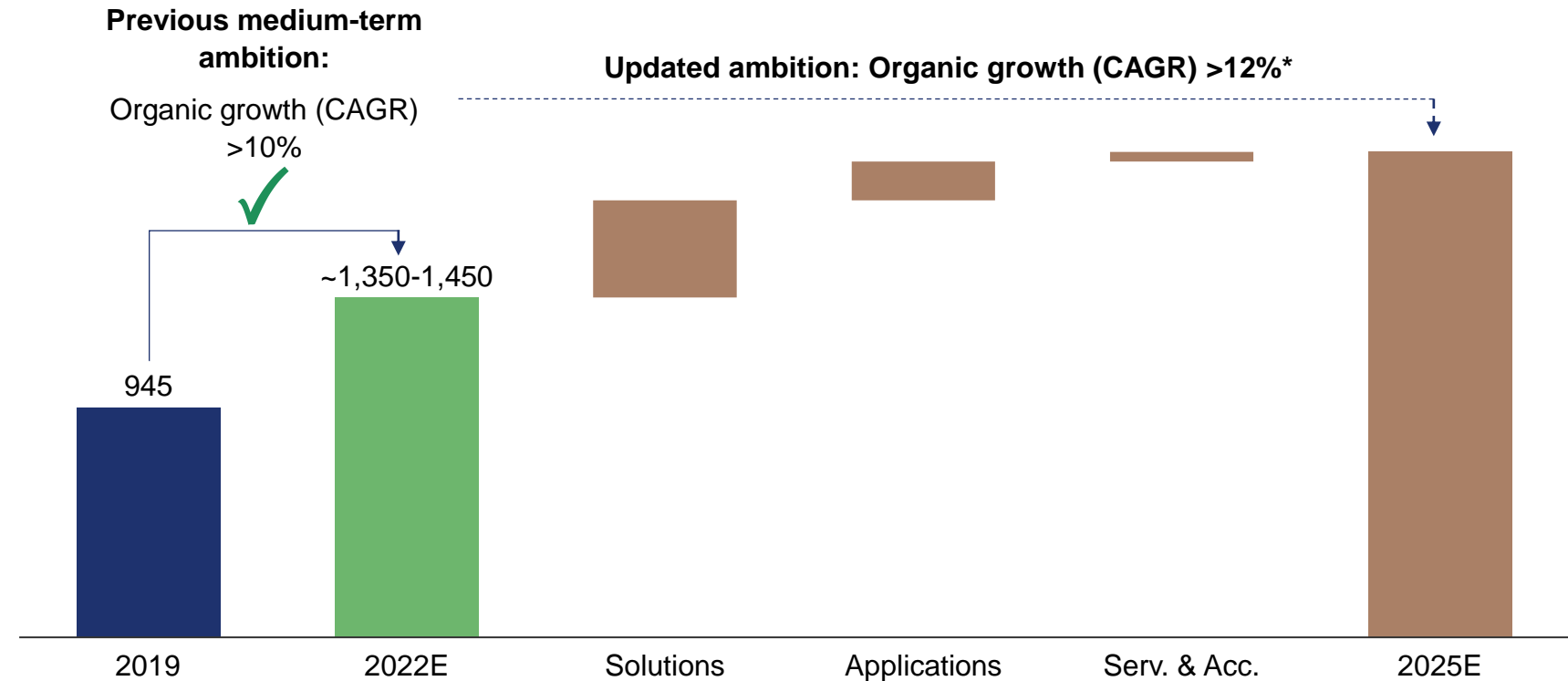
Revenue

Expected to more than double by 2025

Prerequisites in place to revenue growth

- **Positive** market outlook
- **Favourable** supply/demand situation driven by market conditions
- **Utilization** of recent years' investments
- 2025+ perspectives will depend on **further growth investments**

Revenue, std. metal prices (EURm)

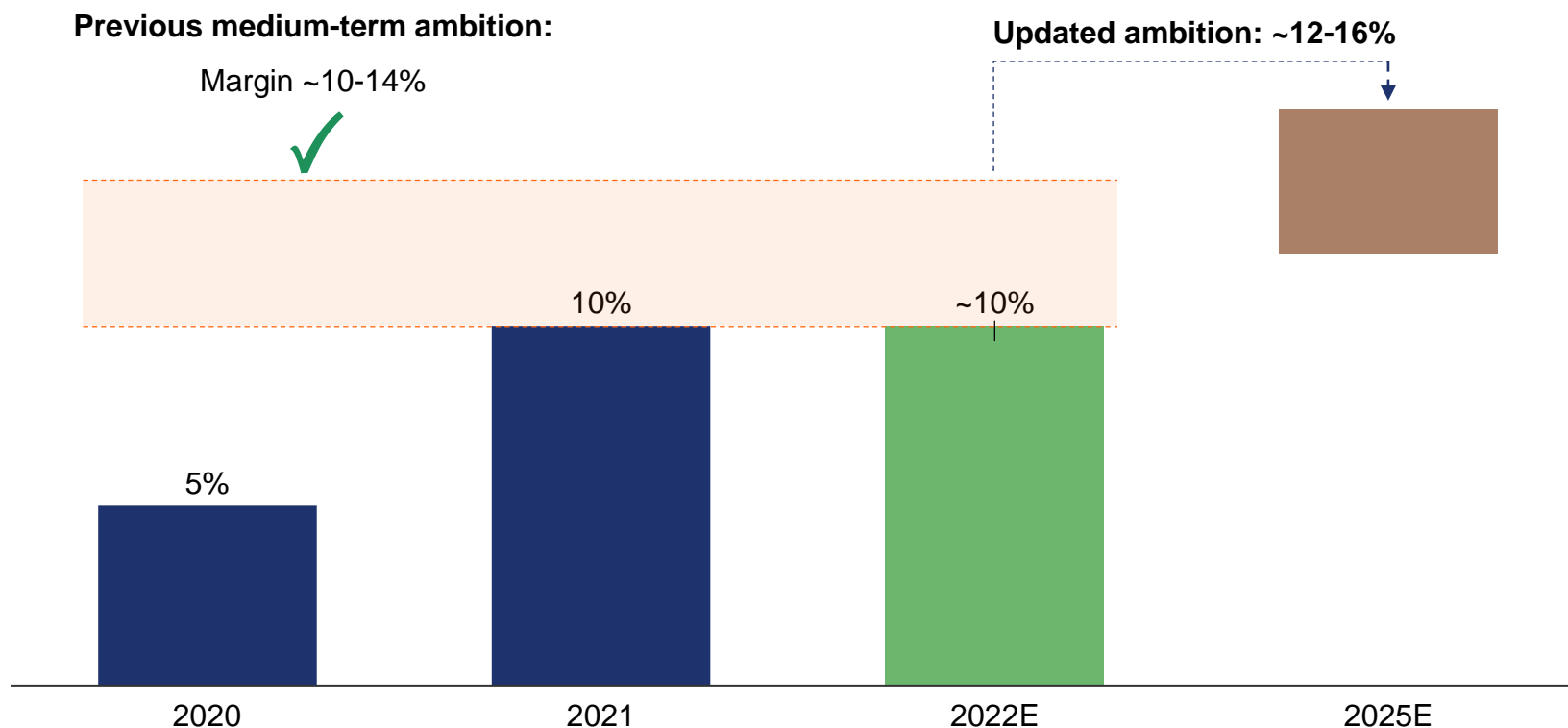


* From 2021 as base year

Operational EBITDA

Improved fundamentals to drive profitability

Operational EBITDA margin*



* Operational EBITDA as percentage of revenue, std. metal prices

Solid direction to improved profitability

- High utilization of asset base
- Improved profitability in high-voltage order backlog
- Benefits of production footprint optimizations
- Economies of scale

Project execution

Satisfactory execution across the business lines are required to improve financial performance



Macro economic development

The outlook assumes a stable development in the global economy



Competitive environment

The supply/demand balance has turned favourable for the industry supporting a satisfactory pricing behaviour



Supply Chain and input costs

A key prerequisite for growth is a stable supply chain with access the materials and services as well as limited inflationary pressure



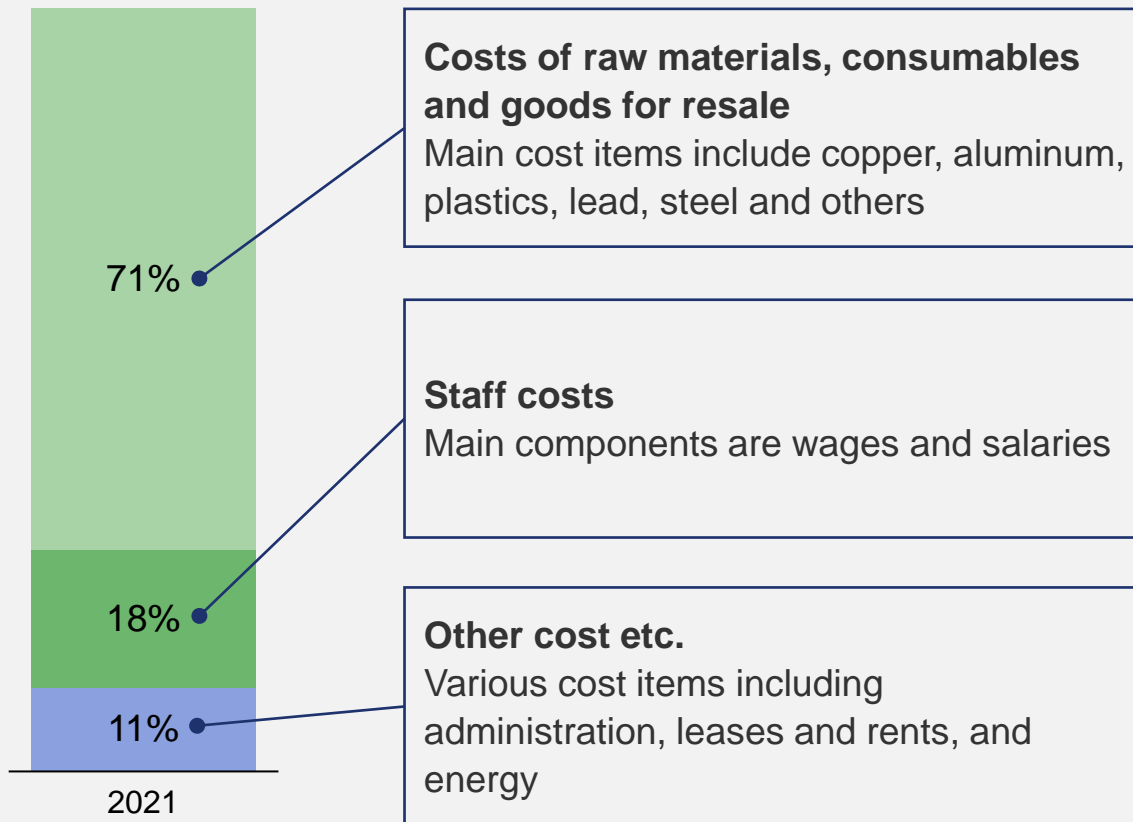
Assumptions
for growth

Managing input costs

Protection of earnings in an inflationary environment

Allocation of costs*

Cost categories



Costs of raw materials, consumables and goods for resale

Main cost items include copper, aluminum, plastics, lead, steel and others

Staff costs

Main components are wages and salaries

Other cost etc.

Various cost items including administration, leases and rents, and energy

Risk mitigations

- Hedging in place for main metals and PE to cover known risks
- Indexation for longer contracts
- Pass-on terms or contract adjustments for other categories

- Pass-on terms or contract adjustments in place
- Ongoing efficiency required to compensate for inflation
- Current high inflation challenging to compensate

- Limited options to hedge exposure, but longer-term contracts in place for certain categories
- Pass-on terms or contract adjustments in place
- Ongoing efficiency required to compensate for inflation

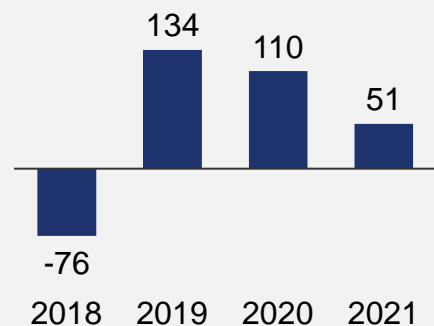
* Allocation of cost items from revenue to EBITDA (excl. Other operating income)

Cash flow generation

During ReNew strategy period cash flow generation has been positive

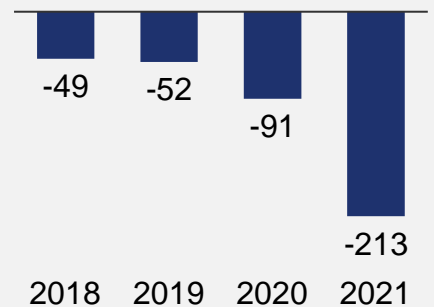
Primary underlying cash flow drivers

Change in working capital (cash flow impact)



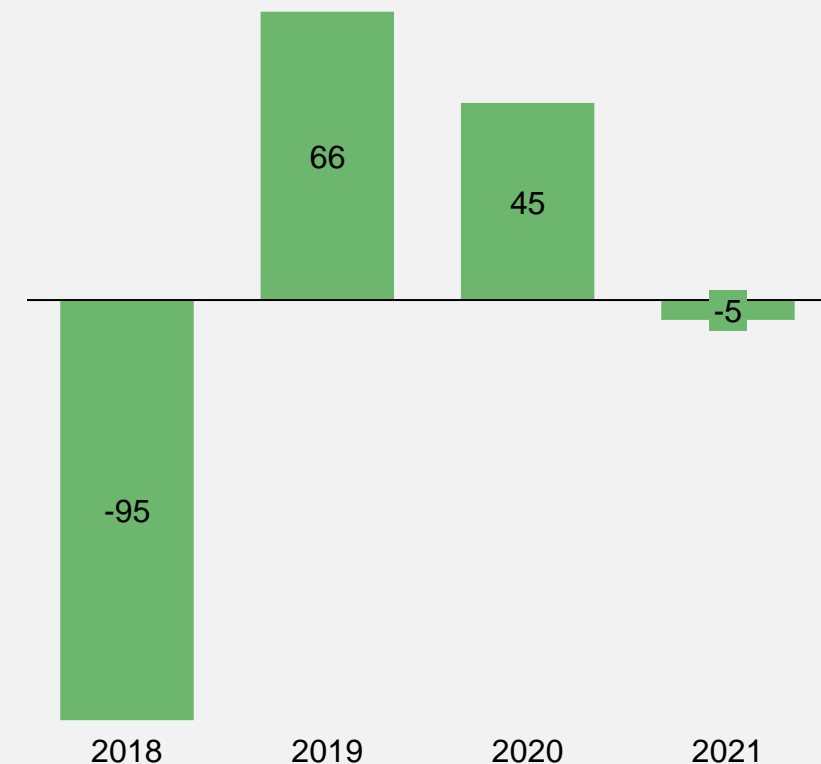
- **2019-2021** favourably impacted by higher order backlog and milestone payment phasing
- **2022+** will mainly depend on development on these parameters

Cash flow from investing activities excl. acquisitions and divestments



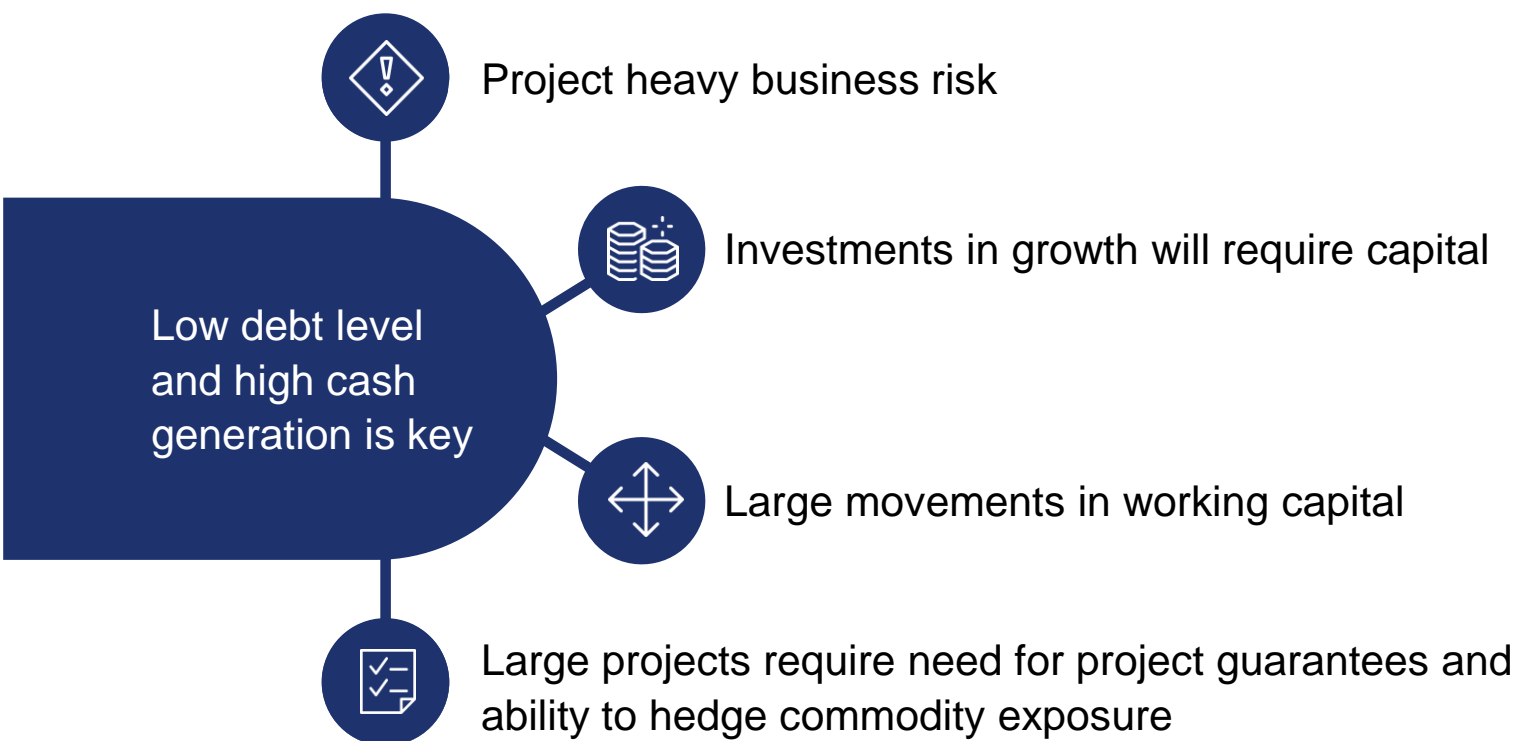
- **2020-2021** above base capital expenditures due to additional investments in growth
- **2022+** will mainly depend on pursuit of market and growth opportunities

Free cash flow excl. acquis. and divest.



Capital structure

NKT's business model requires a conservative capital structure



Leverage ratio

<1.0X

Solvency ratio

>30%

Dividends

1/3

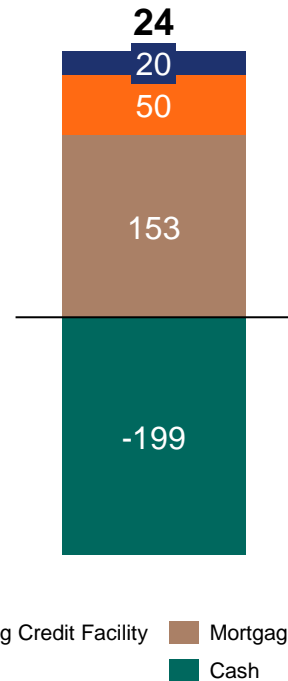
of net result if capital structure allows

Note: Leverage ratio is defined as Net interest-bearing debt relative to operational EBITDA and Solvency ratio is defined as Equity incl. hybrid capital as a percentage of total assets

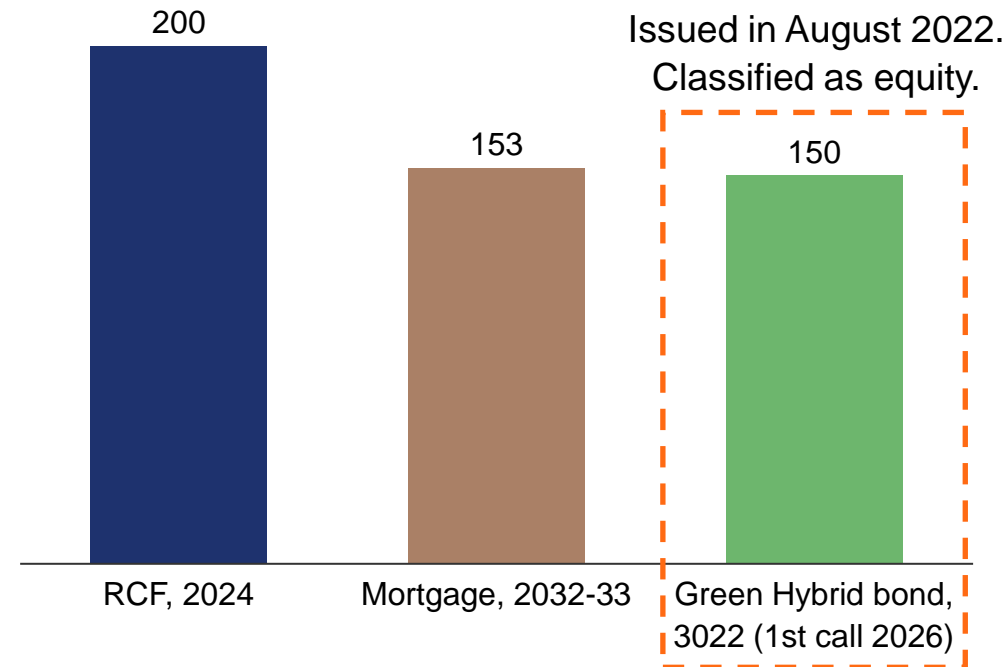
Financial resources

Solid liquidity foundation

Net interest-bearing debt, end-Q2 2022 (EURm)



Maturity profile of financial agreements



At end-Q2 2022, NKT had available liquidity resources of **EUR 379m**.

The proceeds from the expected divestment of **NKT Photonics*** will contribute further the liquidity resources

* The closing of the transaction is subject to regulatory approvals being obtained and is expected to take place latest by Q1 2023

Satisfactory return on capital is key RoCE as overall steering criterium

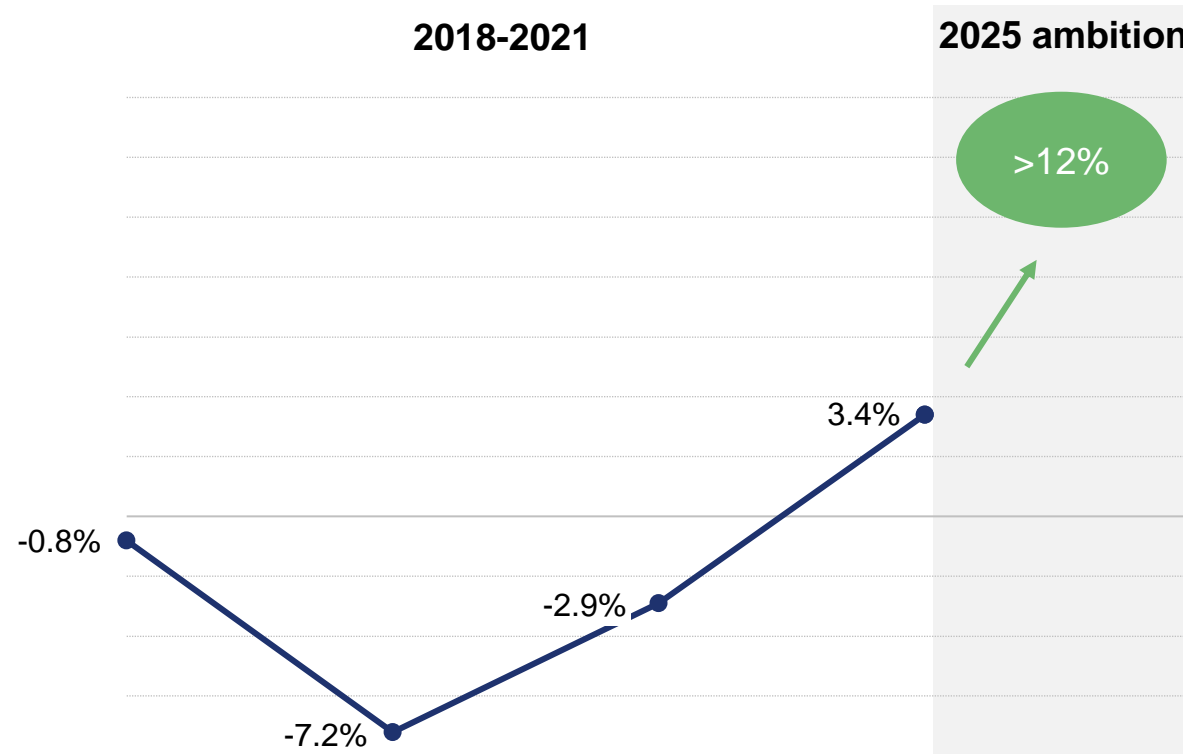
Required return and allocation of funds

- Return on Capital Employed is a key metric for NKT
- With many investment opportunities, NKT is assessing the attractiveness of business cases

Medium-term RoCE ambition

>12%

Return on Capital employed*



- To be achieved by investments announced up until now
- Further value accretive investments can increase RoCE further
- Concrete plans currently being substantiated

* RoCE is calculated on Operational EBIT, LTM, as a percentage of average Capital Employed last five quarters

Fundamentals in place to improve RoCE further until 2025 and beyond

2025 improvement potential*

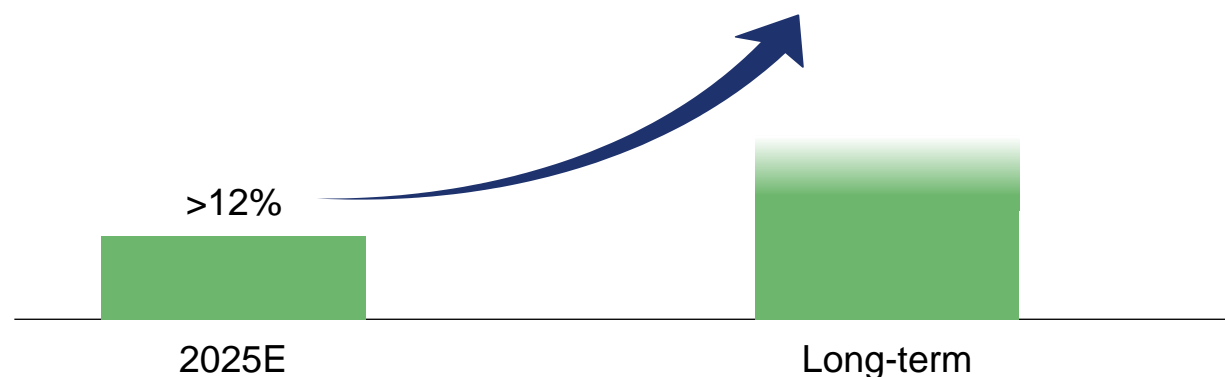
- Execution better than expected
- Improved pricing environment
- Working capital improvements driven by project awards
- Additional benefits from ongoing expansions and investments

Long-term improvement potential

- Additional RoCE accretive capacity expansion in Solutions
- Long time from investment to returns due to nature of business
- Technological improvements
- Operational leverage driven by scale

Return on Capital Employed should move further up

- The RoCE ambition of >12% in 2025 intended as a step towards a higher level
- Concrete initiatives being substantiated
- Communicated when decisions are firmed up



* Same applies for long term improvement potentials

Updated medium-term ambitions From ReNew into ReNew BOOST



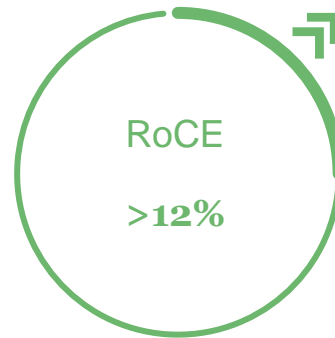
Updated ambitions



From 2021 to 2025



In 2025



In 2025

Ambitions communicated in 2020



From 2019 as base
year



For ReNew BOOST, NKT will drive financial performance forward

BOOST the green transition and secure a better world for future generations



Let's Drive Sustainability

Let's Innovate

Let's Grow

Invest in growth opportunities
Selectively expand market presence

Q&A



A photograph of two construction workers in safety gear (hard hats, high-visibility jackets, and pants) working in a field. They are holding long, dark poles or rods. The background shows trees and a clear sky. The entire image has a blue color overlay.

Wrapping up

Alexander Kara, President & CEO

NKT plays a pivotal role in the **renewable energy transition** today and in the future



Pure play
power cable
solutions provider



Broad portfolio serving
the renewable energy
expansion



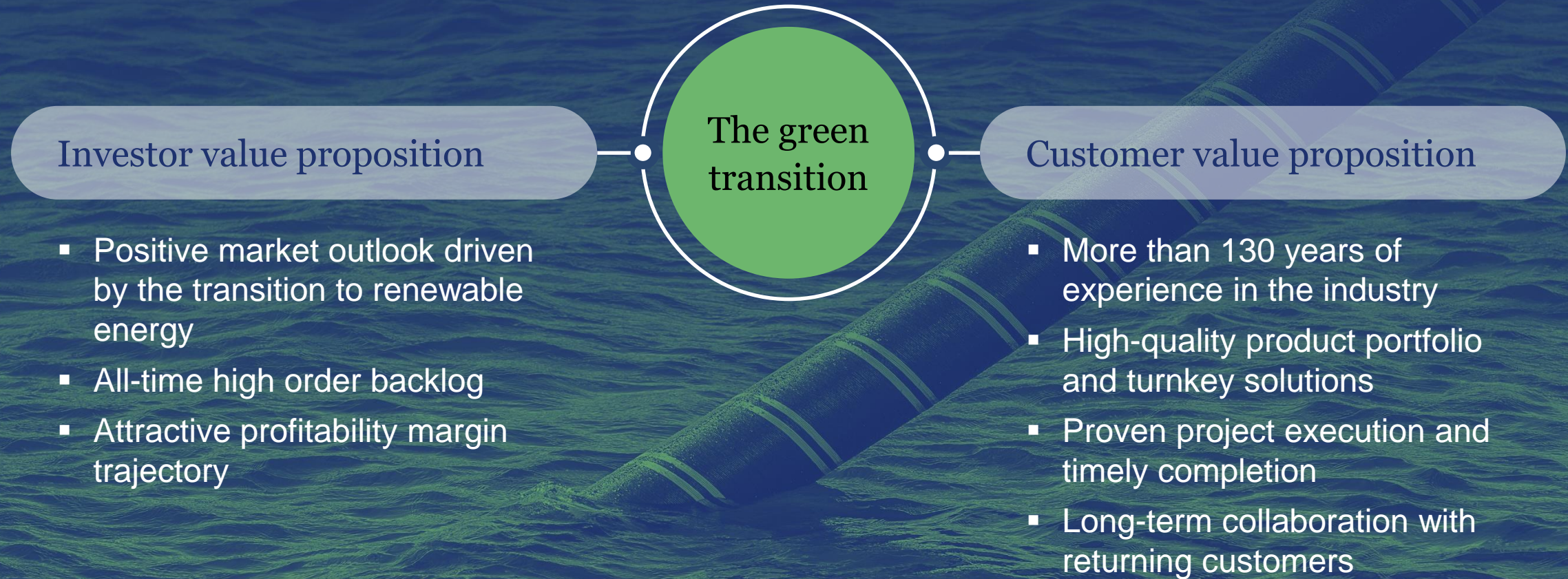
Technology leading
within power cable
solutions, especially in
HVDC technology



Leading in
sustainability actions,
on track to meet Net
Zero targets



Value creation driven by the green transition



ReNew BOOST keeps NKT on the right track



Let's Grow

- Invest in growth opportunities
- Selectively expand market presence



Let's Innovate

- Maintain technology leadership
- Increase open collaboration



Let's Drive Sustainability

- Continue journey to Net Zero
- Attract and retain top talent

**Thank you
for today!**