

Interim Report

Q2 2018

NKT

Power to life since 1891

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Key messages

Q2 2018

NKT and NKT Photonics delivered double-digit organic revenue growth in Q2 2018. Operational EBITDA for NKT was lower than in Q2 2017, reflecting the composition of projects during the period and a lower profitability level for the Applications business line. NKT Photonics achieved improved EBITDA compared to Q2 2017.

During 1st half 2018, no significant projects were awarded in the relevant high-voltage markets, and consequently NKT was not awarded any significant orders either. Subsequently, in July 2018, NKT was awarded a contract for the Hornsea 2 offshore AC cable project.

At end-Q2 2018, the net-interest bearing debt was lower than the previous quarter driven by the positive earnings contribution and development in working capital. NKT A/S is in the process of refinancing its entire debt facilities. This process is progressing satisfactory and is expected to be finalized in the near future.

2018 financial outlook

The financial outlook for NKT has been updated, whereas for NKT Photonics, it is unchanged from Company Announcement No. 1 of 27 February 2018.

For NKT, revenue* is still expected to be approx. EUR 1.0–1.1bn. The operational EBITDA is now expected to be in the lower end of the previously announced range of approx. EUR 90–110m.

For NKT Photonics, revenue is still expected to be approx. EUR 65–70m and the EBITDA is still expected to be approx. EUR 10m.

Amounts in EURm	NKT				NKT Photonics			
	Q2 2018	Q2 2017	1st half 2018	1st half 2017	Q2 2018	Q2 2017	1st half 2018	1st half 2017
Revenue	407.2	390.3	758.3	664.1	17.6	11.2	30.0	18.7
Revenue in std.metal prices	306.4	288.1	560.9	473.3	17.6	11.2	30.0	18.7
Organic growth	12%	8%	10%	1%	25%	26%	22%	4%
Operational EBITDA	32.1	42.9	52.5	60.7	1.0	0.7	-0.5	-1.4
Operational EBITDA margin*	10.5%	14.9%	9.4%	12.8%	5.7%	6.3%	neg.	neg.
Working capital			14.8	-30.6			22.5	16.2
Working capital % of revenue, LTM			-1.7%	3.4%			31.4%	29.1%
RoCE**			4.1%	9.2%			neg.	1.1%

* Std. metal prices

** RoCE is calculated on Operational EBIT, LTM, as a percentage of average capital employed as defined in Note 4 on page 26



306.4m

Revenue (std. metal prices), EUR

Up by EUR 18.3m compared to Q2 2017. The comparison period included revenue of EUR 3.3m from the divested Automotive business

12%

Organic growth

All three business lines contributed with double-digit organic growth

32.1m

Operational EBITDA, EUR

The Solutions and Service & Accessories business lines delivered satisfactory performance, given the composition of projects, while earnings in Applications were impacted negatively by improvement initiatives and product mix

0.52bn

High-voltage order backlog, EUR

At end-Q2 2018 the backlog was down by EUR 0.12bn compared to end-Q1 2018. The Hornsea 2 contract and the two previously announced preferred supplier agreements, Triton Knoll and Moray East, were not included at end-Q2 2018



17.6m

Revenue, EUR

Up by EUR 6.4m against Q2 2017, driven by both the existing business and the acquired Onefive activities

25%

Organic growth

All three business segments contributed to the performance

1.0m

EBITDA, EUR

Above Q2 2017 driven by higher revenue and was achieved despite continued investments into future growth

75%

Order intake growth

Order intake significantly exceeded the level in Q2 2017 and derived from a variety of market sources

Financial review

Driven by all three business lines, NKT delivered organic growth of 12% in Q2 2018. The operational EBITDA was down on the same period in 2017, reflecting the composition of projects as well as decreased earnings for the Applications business line. The working capital level improved during Q2 2018.

Organic revenue growth of 12%

The revenue* for Q2 2018 amounted to EUR 306.4m, corresponding to organic growth of 12%. This compares to EUR 288.1m for Q2 2017. The satisfactory performance reflected increased revenue in all three business lines.

1st half 2018 revenue for NKT totalled EUR 560.9m compared to EUR 473.3m for the same period in 2017. The organic growth in 1st half 2018 was 10%.

Operational EBITDA down on Q2 2017

NKT recorded operational EBITDA of EUR 32.1m in Q2 2018. This was a decrease of EUR 10.8m against Q2 2017, but an improvement of EUR 11.7m on Q1 2018.

While quarterly fluctuations in profitability are to be expected for NKT depending on the composition of projects, the profitability for the Applications business line was at a too low level in Q2 2018.

The operational EBITDA margin* in Q2 2018 was 10.5% compared to 14.9% in Q2 2017. On LTM basis the operational EBITDA margin* was 11.3%, which was 1.2%-points down on end-March 2018.

The operational EBITDA for 1st half 2018 amounted to EUR 52.5m, as compared to EUR 60.7m in 1st half 2017.

One-off costs in Q2 2018 amounted to EUR 7.5m, which comprised EUR 0.8m for integration activities linked to the acquired ABB HV Cables activities and EUR 6.7m for strategic initiatives. These initiatives primarily

related to implementation of the EXCELLENCE 2020 strategy and to the cost base adjustment announced in the Q1 2018 Interim Report. One-off costs in Q2 2017 were EUR 5.1m.

Key financials

Amounts in EURm	Q2 2018	Q2 2017	1st half 2018	1st half 2017	FY 2017
Income statement					
Revenue	407.2	390.3	758.3	664.1	1,428.9
Revenue in std. metal prices	306.4	288.1	560.9	473.3	1,058.0
Operational EBITDA	32.1	42.9	52.5	60.7	138.3
EBITDA	24.6	37.8	41.9	41.0	93.4
Depreciations and amortisations	-19.3	-18.3	-39.1	-29.0	-73.5
Impairment	0.0	0.0	0.0	0.0	-0.9
Operational EBIT	12.8	24.6	13.4	31.7	63.9
EBIT	5.3	19.5	2.8	12.0	19.0
Financial items, net	-1.8	-5.7	-3.7	-7.3	-13.8
EBT	3.5	13.8	-0.9	4.7	5.2
Tax	-1.0	-2.9	0.9	0.7	-6.4
Profit for the year	2.5	10.9	0.0	5.4	-1.2
Cash flow					
Cash flow from operating activities	39.8	8.6	-92.0	-14.4	78.2
Cash flow from investing activities excl. acq. & div.	-10.9	-16.4	-19.6	-28.9	-63.0
Free cash flow	28.9	-7.8	-111.6	-43.3	15.2
Balance sheet					
Capital employed	1,104.3	1,139.1	1,104.3	1,139.1	1,040.5
Working capital	14.8	-30.6	14.8	-30.6	-106.5
Financial ratios and employees					
Organic growth	12%	8%	10%	1%	7%
Operational gross margin*	44.2%	50.5%	44.4%	48.4%	47.7%
Operational EBITDA margin*	10.5%	14.9%	9.4%	12.8%	13.1%
RoCE	4.1%	9.2%	4.1%	9.2%	7.5%
Full-time employees, end of period	3,452	3,358	3,452	3,358	3,393

* Std. metal prices

Working capital down by EUR 14m from previous quarter

The working capital at end-Q2 2018 amounted to EUR 14.8m, which was higher than EUR -30.6m reported at end-Q2 2017, but a decrease from EUR 28.7m at end-Q1 2018. The improvement over the quarter was mainly driven by positive development in the Solutions business line. The timing of payments in Solutions will result in quarterly fluctuations in working capital.

The working capital ratio, LTM, was -1.7% at the end of Q2 2018, which was 0.7%-points higher than at end-Q1 2018.

Improvement in cash flow

The free cash flow in Q2 2018 was EUR 36.7m above the level in Q2 2017. The positive development was due to the favourable working capital progress and a lower level of investment activities in Q2 2018.

RoCE decreased as expected

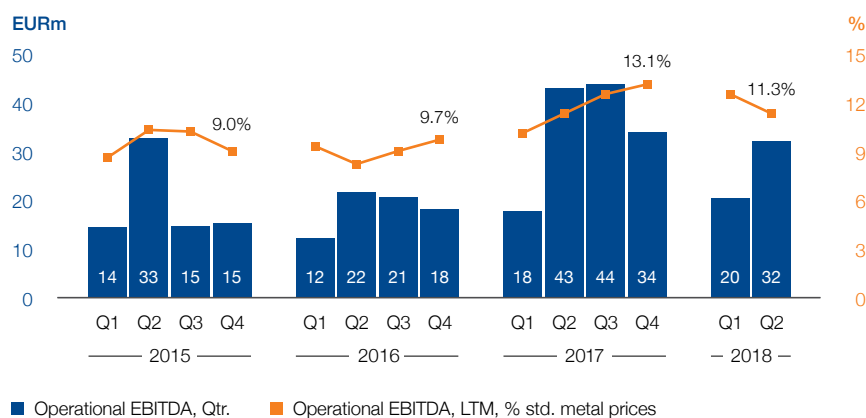
The lower earnings level also negatively impacted RoCE, LTM, which was 4.1% in Q2 2018 against 5.3% for Q1 2018. Capital employed decreased by EUR 36.2m from Q1 to Q2 2018, partly driven by the positive development in working capital.

Revenue development and organic growth

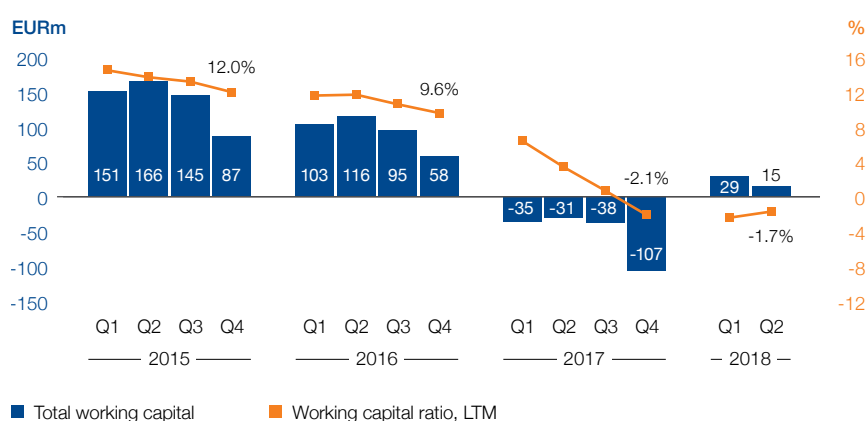
Amounts in EURm	Q2 2018
Q2 2017 revenue*	288.1
Currency effect	-9.0
Acquisitions	0.0
Divestments and reclassifications	-5.3
Q2 2017 adjusted revenue*	273.8
Organic growth	32.6
Q2 2018 revenue*	306.4
Organic growth %	12%

* Std. metal prices

Operational EBITDA



Working capital



Business Lines

Q2 2018 Reviews

The segment reporting structure for NKT comprises three business lines:

Solutions

This business line includes high-voltage power cable solutions. NKT provides a broad range of solutions available for on- and offshore purposes and can supply both AC and DC power cables. With its cable-laying vessel, NKT Victoria, NKT can offer customers end-to-end turnkey solutions.

Applications

This business line offers customers a broad range of low- and medium-voltage power cables. NKT markets high-quality products that conform to regulatory requirements for flame-retardant material and has developed ergonomic solutions. Telecom power cables are also developed and marketed.

Service & Accessories

This recently established business line focuses on asset management services for on- and offshore power cables. In addition, a full power cable accessories portfolio is offered across medium- and high-voltage categories.

Business review

– Solutions

161m

Revenue*, EUR

(Q2 2017: EUR 155m)

12%

Organic growth

26.1m

Operational EBITDA, EUR

(Q2 2017: EUR 32.8m)

Highlights – Solutions

- Q2 2018 financial performance was in line with expectations
- In 1st half 2018, no significant projects were awarded in the relevant high-voltage markets, and consequently NKT was not awarded any significant orders either
- The Hornsea 2 contract awarded in July 2018 proves the strong position of NKT within the offshore wind segment

Increase in revenue

In Q2 2018, revenue and organic growth were primarily driven by continued progress on a variety of offshore AC and DC projects.

In 1st half 2018, the revenue* amounted to EUR 300.4m, compared to EUR 228.3m for the same period in 2017. The increase was primarily driven by the acquisition of ABB HV Cables in March 2017.

Operational EBITDA as expected

The operational EBITDA was in line with expectations given the composition of projects during the period. The profitability and execution on the specific projects combined with the amount of installation work will impact overall profitability between the reporting periods. The operational EBITDA margin* was 16.3% in Q2 2018, against 21.2% in Q2 2017.

The operational EBITDA in 1st half 2018 was EUR 44.8m, compared to EUR 40.6m in 1st half 2017. The organic growth in 1st half 2018 was 9%.

Progress and delivery on existing order backlog

The main projects being executed during Q2 2018 included Hornsea 1 and Nordlink, which are being manufactured at the Karlskrona factory. At the Cologne factory, work began on cables for the Borssele Alpha project. The Galloper project was completed.

The cable-laying vessel NKT Victoria was occupied installing the DC power cable system for the Norwegian Johan Sverdrup offshore oil platform. This cable system is almost 200 km in length and connects the Norwegian power grid to the offshore platform.

The conditions at the lower end of the high-voltage AC onshore market

remained challenging, with continued imbalance between supply and demand. Consequently, NKT performance in this segment remained unsatisfactory.

Award of Hornsea 2 offshore AC cable project

On 4 July 2018, NKT was awarded a contract by Ørsted of over EUR 145m (EUR 110m in std. metal prices) to supply more than 190 km of 220 kV high-voltage AC XLPE offshore export cable system for the Hornsea 2 offshore wind farm in the UK. The cables will be manufactured in Karlskrona, with production starting in autumn 2018. With this award, NKT proved its strong position within the offshore wind segment.

Order backlog of EUR 0.52bn

The high-voltage order backlog at end-Q2 2018 totaled EUR 0.52bn (EUR 0.47bn in std. metal prices). Around 50% of the order backlog is expected to be realized in 2018, the other half in 2019 and beyond. As the Hornsea 2 contract was awarded after Q2 2018 had ended, it was not included in the order backlog. Furthermore, the two preferred supplier agreements, Triton Knoll and Moray East, were not included either.

In 1st half 2018, no significant projects were awarded in the relevant high-voltage markets, and consequently NKT was not awarded any significant orders either. Thus, the order backlog at end-Q2 2018 was below the level of the previous quarter.

Market impacted by postponements

During 2018, the high-voltage market has been impacted by postponements of large interconnector projects. While no material projects have been cancelled, some have been postponed among others due to political decisions

* Std. metal prices

and legal approvals and permits. Viking link, a proposed interconnector project between Denmark and the UK, has been postponed during 2018. This is among the sizable projects in the market and project award is now expected to take place during 2019.

The offshore wind market is generally more stable, with a more predictable route to realization, as illustrated by the award of the Hornsea 2 contract.

The limited number of order awards will impact the activity level in Solutions for the remainder of 2018 and in 2019, and the low order intake will prevent

NKT from achieving optimal production planning and installation for this period. Additionally, the current unfavourable supply/demand balance for the cable manufacturers is expected to impact profitability on certain project awards.

Continued attractive market potential

The high-voltage market continues to be viewed as attractive in the medium- to long-term. NKT is involved in tender activity on a number of projects that potentially will generate future income. However, the timing of order awards, particularly in the interconnector market, will be subject to uncertainty.

In Q2 2018, the medium- to long-term potential for offshore wind and other renewable energy sources received positive support as the EU increased its binding target for renewable energy consumption for 2030. The potential for offshore wind energy is also opening up outside Europe. During Q2 2018, on the US east coast, three states awarded offshore wind contracts with a total capacity of 1.4 GW, while contracts for 3.9 GW were awarded in Taiwan.



Business review – Applications

115m

Revenue*, EUR
(Q2 2017: EUR 108m)

11%

Organic growth

4.5m

Operational EBITDA, EUR
(Q2 2017: EUR 6.2m)

Highlights – Applications

- Satisfactory organic growth in Q2 2018
- Operational EBITDA lower than Q2 2017
- Implementation phase of initiatives to improve performance

Satisfactory organic growth

In Q2 2018, the revenue* increased by EUR 6.8m compared to Q2 2017, corresponding to organic growth of 11%. The comparison period included revenue of EUR 3.3m from the divested Automotive business. The positive development was driven by market share gains for NKT.

In 1st half 2018, the revenue* amounted to EUR 206.8m, as compared to EUR 209.9m in the same period in 2017. The organic growth in 1st half 2018 was 8%.

Earnings impacted negatively by improvement initiatives and product mix

The increased revenue did not translate into higher operational EBITDA in Q2 2018 as it was down EUR 1.7m on Q2 2017. However, the comparison period also included operational EBITDA of EUR 0.7m from the Automotive business.

While earnings improved on Q1 2018 it remained at a too low level. NKT will continue to execute on initiatives to improve operational efficiency across factories. NKT is implementing a new standardized operating system, has entered a partnership agreement with an external maintenance provider, and is rolling out a uniform IT platform. These initiatives will expectedly increase factory output by securing more streamlined processes.

To strengthen the commercial position, NKT is among others gradually implementing an optimized go-to-market approach and organizing the front-end sales functions to be more focused on the individual customer.

The implementation phase of the initiatives and the related costs have reduced earnings, but the benefits are expected to materialize from 2019.

The profitability for the Applications business line in Q2 2018 was also negatively impacted by unfavourable product mix. The revenue growth has to a certain extent been driven by improvements in the low-voltage and building wire segments.

The operational EBITDA in 1st half 2018 was EUR 4.0m, compared to EUR 16.8m for 1st half 2017. In the comparison period, the divested Automotive business contributed EUR 3.3m, and 2017 had a more favourable country and product mix.

Several countries contributing to higher revenue

In geographical terms, the organic growth in revenue was primarily driven by Poland and France.

Following a challenging 2017, the Polish market showed continued recovery driven by sales of building wires. With NKT gaining market share, this was an important growth contributor in Q2 2018. In addition, an improved foothold was gained in the French market based on deliveries under a sizable frame contract in the medium-voltage segment.

After a challenging start to 2018 due to colder than normal weather, the performance in Sweden improved during Q2 2018. However, the Swedish market is currently slowing down following favourable market conditions in 2017. In Denmark, NKT was able to increase its market share in Q2 2018 in a growing market.

The German market, with its large size and central location in Europe, remained competitive, and the market growth in value was limited.

Contract award in Canada

Following the establishment of a sales subsidiary in Dallas, Texas, towards end-2017, NKT gained further ground in the North American telecom power cable market with the award of a Canadian contract in Q2 2018. Although still only a relatively small revenue contributor, this market offers growth opportunities.

Business review

– Service & Accessories

37m

Revenue*, EUR
(Q2 2017: EUR 26m)

19%

Organic growth

3.8m

Operational EBITDA, EUR
(Q2 2017: EUR 5.4m)

Highlights – Service & Accessories

- Satisfactory financial performance in Q2 2018
- Positive development in on- and offshore service and repair business

Positive revenue development

Service & Accessories delivered satisfactory revenue growth in Q2 2018 which was in line with expectations. The service business continued to develop favorably as the most significant contributor.

In 1st half 2018, the revenue* amounted to EUR 67.3m, compared to EUR 39.9m for the same period in 2017. The organic growth in 1st half 2018 was 22%.

Satisfactory earnings

After a strong start to 2018, the profitability returned to a lower level in Q2 2018. The operational EBITDA margin* was 10.3%, which was lower than the 20.5% realized in Q2 2017. Despite the margin fluctuations, the development in profitability was considered satisfactory.

Due to the relatively small size of Service & Accessories and the unpredictable nature of the company's service operations in their existing form, fluctuations in earnings and profitability will occur from quarter to quarter. This will particularly depend on the number of large offshore cable repairs.

The operational EBITDA in 1st half 2018 was EUR 9.6m, compared to EUR 6.3m in 1st half 2017.

Service business performing satisfactorily

The service business delivered satisfactory performance and continues to be viewed as an attractive growth area going forward.

In Q2 2018, NKT completed a few offshore cable repair orders. NKT is building up its presence in this market, where the orders are often complex. Satisfactory growth was also recorded in the onshore service and repair market, and NKT is well positioned in

this area in several Northern European countries.

NKT continues to pursue opportunities in the market for power cable service contracts. Many installed power cables are not covered by service contracts, and in Q2 2018 conversations were held with cable owners on providing structured service agreements. Going forward, this market is expected to develop into an important portfolio for NKT.

Varied market development for accessories

In Q2 2018, the performance of NKT in the accessories business varied in the different markets.

Outside Europe, NKT delivered positive performance in Middle Eastern and Asian countries. Products were supplied to large projects, and NKT is involved in tenders to deliver further revenue in the regions. In North America, the market was challenged during Q2 2018 with a number of project postponements.

In the central European countries, the market climate was challenging, although conditions stabilized during Q2 2018. NKT has taken initiatives to offset the challenging market situation. The Nordic region developed as expected.

Strategic options considered for railway business

NKT is assessing various strategic options for its railway business including a potential divestment and a decision is expected later this year.

* Std. metal prices

Focus on excellence initiatives a key priority

NKT continues to execute on a range of initiatives aimed at building a stronger and more efficient company. This includes creation of an optimized operating system, establishment of a shared service centre, and further development within digitalization are prioritized to create future benefits for customers. Furthermore, the recently announced cost base reduction is progressing to plan.

Cost base reduction progressing

As announced in the Q1 2018 Interim Report, NKT has initiated a cost base reduction with an expected annual positive cost impact from 2019 of approx. EUR 10m. Measures introduced include an adjustment of mainly the white-collar organizations in Karlskrona and Cologne and this is proceeding to plan. Since the announcement, progress has been made at both sites, with a voluntary release programme finalized in Karlskrona and negotiations with the relevant parties ongoing in Cologne. A number of vacant positions have also been terminated.

The decision to reduce the company's cost base was driven by the current lower high-voltage order backlog, and to further accelerate acquisition synergies and the journey towards excellence.

Progress towards operational excellence

With a view to improving operational performance, NKT is preparing roll-out of a standardized, lean-based operating system across its factories. This will

deliver structures and processes to systematically solve customer and business challenges. The implementation of the operating system will be rolled out gradually, and focus is currently on the medium-voltage cable business. The roll-out will continue into 2019.

To date in 2018, factory output has improved across factories. However, no material positive impact on financial results is expected during the beginning of the implementation phase, but this will expectedly create a more efficient setup going forward.

Expanding role for shared service centre

Since the establishment of a shared service centre in Lithuania at the beginning of 2018, selected accounting tasks have gradually been moved to this facility. During Q2 2018, NKT took over most of the accounting tasks related to the acquired ABB HV Cables activities, and going forward these tasks will be handled out of Lithuania. Other NKT sites are similarly moving tasks to the shared service centre and the process is set to continue in the coming quarters.

The rationale behind the shared service centre is to deliver improved financial processes and a leaner and more efficient structure. So far, the execution of the moves has been satisfactory.

Digitalization projects on the agenda

In 2017, NKT established a digital hub in Berlin to accelerate and explore new business and service models. With this step, the company will identify ways to improve how NKT operates in certain areas, leading to benefits for its customers.

A number of digitalization projects have been initiated and are gradually being developed with the potential of turning into valuable solutions offered in the market. Among others NKT is currently running trials with several customers of a new application for managing cable drums. Feedback to date has been positive and development of the solution will continue in the coming months.



NKT Photonics – Financial & Business review

The positive start to 2018 continued into Q2, with revenue rising significantly driven by both organic and acquisitive growth. Driven by the higher revenue, the EBITDA also increased in Q2 2018. NKT Photonics continued to improve its market position and recorded an increase in order intake of 75% compared to Q2 2017.

Revenue up 57%

NKT Photonics posted revenue of EUR 17.6m in Q2 2018, which was EUR 6.4m up on Q2 2017. The increase was partly attributable to the acquisition of Onefive, which contributed EUR 2.2m to the revenue for the period. The organic growth for Q2 2018 was 25%. The positive development was broad-based across product categories as all three business segments delivered solid performance.

The revenue for 1st half 2018 was EUR 30.0m, compared to EUR 18.7m for 1st half 2017. The organic growth was 22% in 1st half 2018.

Growth in EBITDA driven by revenue

The higher revenue led to improved EBITDA. In Q2 2018, EBITDA amounted to EUR 1.0m, which was up EUR 0.3m on Q2 2017. The improved earnings performance was achieved despite continued investments in creating a stronger platform for the future. Costs included initiatives related to ramping up the organizational footprint and

the ongoing implementation of a new ERP system.

The Q2 2018 EBITDA was also impacted by provisions of EUR 0.4m relating to the Long-Term Incentive (LTI) programme for senior management. No similar provisions were made in the same period in 2017.

The EBITDA performance for 1st half 2018 was in line with expectations, amounting to EUR -0.5m. 1st half 2017 EBITDA was EUR -1.4m. At end-Q2 2018, the EBITDA margin, LTM, was 7.1%.

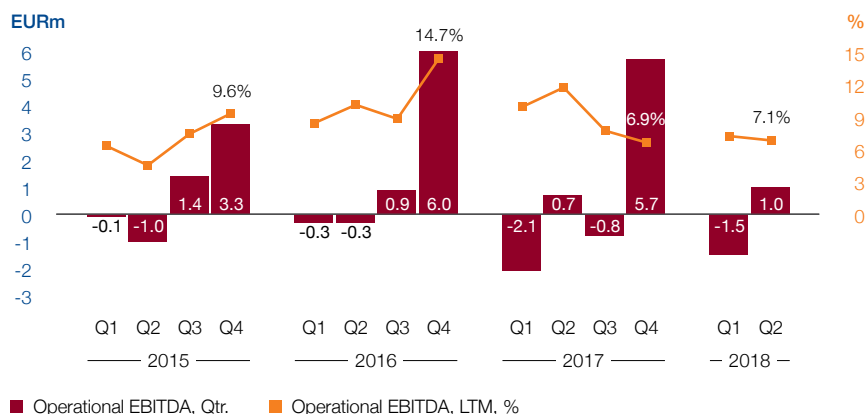
Higher working capital driven by higher revenue

At end-Q2 2018 the working capital for NKT Photonics amounted to EUR 22.5m, which was EUR 2.9m higher than at the close of the previous quarter. The higher level was due to the increase in revenue and the related increase in accounts receivables.

Significant improvement in order intake

The healthy order pipeline in the photonics market translated into several

NKT Photonics EBITDA



new orders for NKT Photonics in Q2 2018. The order intake during the period increased by 75% compared to Q2 2017, and was driven by all segments. This secures revenue for the coming quarters, underlining NKT Photonics' position in the market. Total order intake for 1st half 2018 was up 60% on 1st half 2017.

NKT Photonics opens facility in Sweden

A key focus area in NKT Photonics' commercialization strategy is to be a more vertically integrated company. In April 2018, in line with this ambition, NKT Photonics opened an optical materials facility in Sweden aimed at taking the development and production of new and improved silica glass to the next level. Silica glass is a key component in the high-performance optical fibers and fiber lasers produced by NKT Photonics.

Key financials

Amounts in EURm	Q2 2018	Q2 2017	1st half 2018	1st half 2017	FY 2017
Income statement					
Revenue	17.6	11.2	30.0	18.7	50.9
Operational EBITDA	1.0	0.7	-0.5	-1.4	3.5
EBITDA	1.0	0.7	-0.5	-1.4	3.5
Depreciations and amortisations	-2.0	-1.2	-3.6	-2.2	-5.2
Operational EBIT	-1.0	-0.5	-4.1	-3.6	-1.7
EBIT	-1.0	-0.5	-4.1	-3.6	-1.7
Financial items, net	0.3	-0.3	0.1	-0.6	-0.9
EBT	-0.7	-0.8	-4.0	-4.2	-2.6
Tax	-0.1	-0.1	0.7	0.9	0.4
Profit for the year	-0.8	-0.9	-3.3	-3.3	-2.2
Cash flow					
Cash flow from operating activities	-3.4	-2.5	-3.4	-1.0	-0.4
Cash flow from investing activities excl. acq. & div.	-2.5	-2.3	-3.4	-3.3	-7.5
Free cash flow	-5.9	-4.8	-6.8	-4.3	-7.9
Balance sheet					
Capital employed	72.4	49.8	72.4	49.8	69.0
Working capital	22.5	16.2	22.5	16.2	23.1
Financial ratios and employees					
Organic growth	25%	26%	22%	4%	7%
Gross margin*	75.4%	74.2%	74.3%	70.7%	70.9%
Operational EBITDA margin*	5.7%	6.3%	neg.	neg.	6.9%
RoCE	neg.	1.1%	neg.	1.1%	neg.
Full-time employees, end of period	322	263	322	263	302

* Std. metal prices

Imaging & Metrology

Driven mainly by NKT Photonics' line of supercontinuum white light lasers, the Imaging & Metrology segment showed positive development in Q2 2018. The majority of the revenue came from semiconductor, life science and scientific markets.

Sensing & Energy

The Sensing & Energy segment recorded positive growth in Q2 2018 with increasing order intake for the LIOS product series. This was particularly for products with applications in fire detection and power cable monitoring. Moreover, the Koheras line of single-frequency fiber lasers continues to grow above the market rate.

Material Processing

As an important step to improve its presence within ultrafast lasers, NKT Photonics acquired the Swiss-based company Onefive in September 2017. The integration process was successfully completed in Q2 2018, and the Onefive organization and products are now an integral part of NKT Photonics.

In line with its strategy for the Material Processing segment, NKT Photonics released several new and improved ultrafast lasers in Q2 2018 aimed at the industrial micromachining market. The new lasers leverage technology and know-how from the Swiss acquisition allied to NKT Photonics' existing extensive experience within ultrafast fiber lasers.

Group financials

Operational EBITDA

In Q2 2018, NKT A/S reported operational EBITDA of EUR 33.1m, which was EUR 10.5m lower than for Q2 2017. This was due to the reduced contribution from NKT. The operational EBITDA margin* in Q2 2018 was 10.2%, against 14.6% for the same period in 2017. The operational EBITDA for 1st half 2018 was EUR 52.0m. The operational EBITDA, LTM, at end-Q2 2018 was EUR 134.5m.

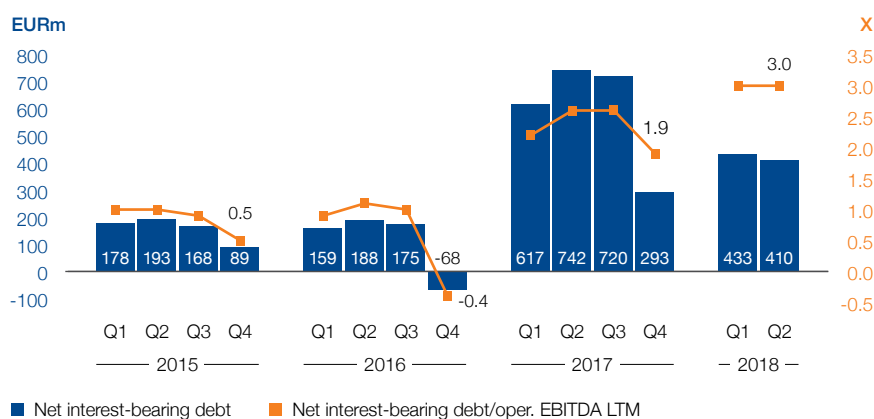
Financial items, earnings and tax

In Q2 2018, the net financial items amounted to EUR -1.5m against EUR -6.0m in Q2 2017. The financial items primarily consisted of interests on net interest-bearing debt. The earnings before tax (EBT) amounted to EUR 2.8m in Q2 2018. This was down EUR 10.2m on the same period in 2017, reflecting the development in the operational EBITDA. The reported tax rate in Q2 2018 was 39%.

Cash flow

Driven by the positive EBITDA and development in working capital, the cash flow from operating activities comprised EUR 36.4m for Q2 2018, as compared to EUR 16.8m for Q2 2017. The cash flow from investing activities was EUR -13.4m in Q2 2018. Excluding acquisition and divestment of businesses the corresponding cash flow in Q2 2017 was -26.9m. Investments in Q2 2018 were relatively low. The cash flow figures for the comparison period in 2017 include the discontinued Nilfisk operations.

Net interest-bearing debt



* For the 2017 leverage ratios, pro forma EBITDA for the acquired ABB HV Cables activities has been added to LTM EBITDA in the period when NKT was not the owner of ABB HV Cables. The pro forma EBITDA was based on ABB HV Cables' estimated average annual pro forma EBITDA of EUR 79m for 2014–2016.

Liquidity, debt leverage and equity

At end-Q2 2018, the net interest-bearing debt for NKT A/S amounted to EUR 410m, as against EUR 433m at the close of the previous quarter. The decrease was primarily driven by the earnings contribution and the working capital improvement.

The net interest-bearing debt relative to operational EBITDA amounted to 3.0x at end-June 2018, which was on par with the level at end-March 2018. NKT A/S targets a leverage ratio of up to approx. 1.5x in the medium term.

At end-Q2 2018, NKT A/S had total available liquidity reserves of EUR 233.1m,

comprising cash of EUR 11.7m and undrawn credit facilities of EUR 221.4m. The equity amounted to EUR 767.2m. The solvency ratio was 40%.

NKT A/S is in the process of refinancing its entire debt facilities. This process is progressing satisfactory and is expected to be finalized in the near future.

Appeal rejected

On 12 July 2018, the European General Court rejected the appeal from NKT and other cable manufacturers regarding participation in alleged price-fixing activities. NKT is considering whether to initiate a further appeal. See more information in Note 1 on page 22.

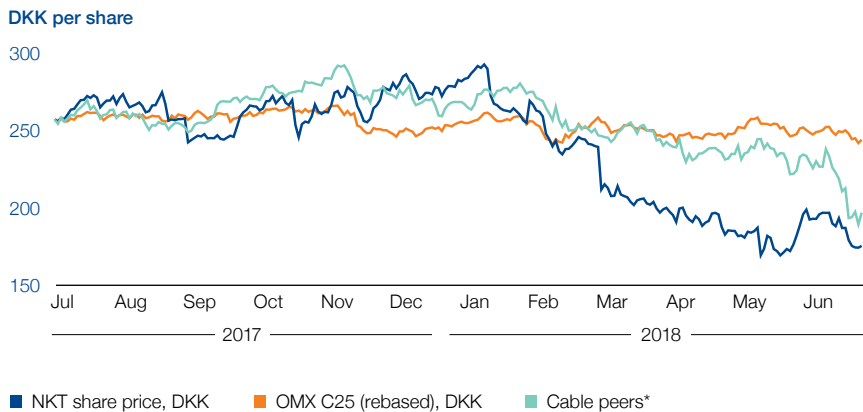
Q2 2018 financial development for NKT A/S

Amounts in EURm	Revenue*			Oper. EBITDA			Oper. EBITDA margin*	
	Q2 2018	Q2 2017	Change	Q2 2018	Q2 2017	Change	Q2 2018	Q2 2017
NKT	306.4	288.1	18.3	32.1	42.9	-10.8	10.5%	14.9%
NKT Photonics	17.6	11.2	6.4	1.0	0.7	0.3	5.7%	6.3%
NKT A/S, incl. continuing oper.	324.0	299.3	24.7	33.1	43.6	-10.5	10.2%	14.6%

* Std. metal prices

Shareholder information

NKT Share price



* NKT peers are: Nexans S.A. and Prysmian S.p.A.

NKT A/S shares basic data

ID code: DK0010287663

Listing: Nasdaq Copenhagen

Share capital: EUR 73m
(DKK 543m)

Number of shares: 27.1 million

Nominal value: DKK 20

Share classes: 1

NKT A/S shares

The average daily turnover in NKT shares on all trading markets was EUR 11m in Q2 2018, as compared to EUR 12m in Q2 2017 when Nilfisk was still part of the stock-listed entity. Average daily trading volume was 441,000 shares in Q2 2018, compared to 166,000 in the same period of 2017. Nasdaq Copenhagen was the main trading market for the company's shares with 57% of the total traded volume in Q2 2018.

At end-Q2 2018 the NKT share price stood at DKK 174.50, against DKK 283.30 at end-2017, a decrease of 38%. In the same period, the dividend-adjusted share price returns for the company's largest European competitors, Prysmian and Nexans, were -20% and -41%, respectively. The Danish OMX C25 index decreased by 4% in 1st half 2018.

In June 2018, the member list of the OMX C25 index was updated. NKT A/S was not reselected for the index due to the lower market capitalization following the demerger of Nilfisk from NKT A/S in October 2017.

Four NKT A/S investors have reported shareholdings of more than 5%: ATP (Denmark), Ferd AS (Norway), Kirkbi INVEST A/S (Denmark), and Nordea Funds Ltd, Danish Branch (Finland).

The total share capital consists of 27,126,369 shares with a nominal value of DKK 20, corresponding to a total nominal share capital of EUR 72,822,500 (DKK 542,527,380).



More shareholder information is available at investors.nkt.com

Financial calendar 2018

16 Nov: Interim Report, Q3

Group Management's statement

The Board of Directors and the Executive Management Board have today considered and adopted the Interim Report of NKT A/S for the period 1 January – 30 June 2018.

The Interim Report, which has not been audited or reviewed by the company auditor, has been prepared in accordance with IAS 34 'Interim Financial Reporting', as approved by the EU, and Danish disclosure requirements for interim reporting by listed companies.

In our opinion the Interim Report gives a true and fair view of the Group's assets, liabilities and financial position at 30 June 2018 and the results of the Group's activities and cash flow for the period 1 January – 30 June 2018.

We also find that the Management's review provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period, the general financial position of the Group, and a description of major risks and elements of uncertainty faced by the Group.

Brøndby, 15 August 2018

Executive Management

Michael Hedegaard Lyng
President & CEO

Roland M. Andersen
CFO

Board of Directors

Jens Due Olsen
Chairman

René Svendsen-Tune
Deputy Chairman

Jack Ejlersen*

Stig Nissen Knudsen*

Jens Maaløe

Andreas Nauen

Jutta af Rosenberg

Lars Sandahl Sørensen

Peter Wennevold*

* *Employee-elected member*

Financial Statements

Income statement

Amounts in EURm	Q2 2018	Q2 2017	1st half 2018	1st half 2017	Year 2017
Revenue	424.7	401.5	788.2	682.8	1,479.3
Earnings before interest, tax, depreciation and amortisation (EBITDA)	25.6	38.5	41.4	39.6	96.9
Depreciation and impairment of property, plant and equipment	-16.0	-16.2	-32.4	-25.4	-61.3
Amortisation and impairment of intangible assets	-5.3	-3.3	-10.3	-5.8	-18.3
Earnings before interest and tax (EBIT)	4.3	19.0	-1.3	8.4	17.3
Financial items, net	-1.5	-6.0	-3.6	-7.9	-14.7
Earnings before tax (EBT)	2.8	13.0	-4.9	0.5	2.6
Tax	-1.1	-3.0	1.6	1.6	-6.0
Profit from continuing operations	1.7	10.0	-3.3	2.1	-3.4
Profit from discontinued operations	0.0	22.5	0.0	43.0	932.2
Net profit	1.7	32.5	-3.3	45.1	928.8
To be distributed as follows:					
Profit attributable to equity holders of NKT A/S	1.7	32.5	-3.3	45.1	928.8
Basic earnings, EUR per outstanding share (EPS)	0.1	1.2	-0.1	1.7	34.3
Diluted earnings, EUR per share (EPS-D)	0.1	1.2	-0.1	1.7	34.3
Earnings from continuing operations, EUR per outstanding share (EPS)	0.1	0.4	-0.1	0.1	-0.1
Diluted earnings from continuing operations, EUR per share (EPS-D)	0.1	0.4	-0.1	0.1	-0.1

Cash flow

Amounts in EURm	Q2 2018	Q2 2017	1st half 2018	1st half 2017	Year 2017
Earnings before interest, tax, depreciation and amortisation (EBITDA) from continuing operations	25.6	38.5	41.4	39.6	96.9
Earnings before interest, tax, depreciation and amortisation (EBITDA) from discontinued operations	0.0	33.2	0.0	64.1	83.2
	25.6	71.7	41.4	103.7	180.1
Financial items, net from continuing and discontinued operations	-1.3	-7.9	-3.6	-12.3	-20.9
Changes in provisions, tax and non-cash operating items, profit on sales of non-current assets, etc.	-7.4	-11.7	-17.8	-22.6	-47.7
Changes in working capital	19.5	-35.3	-115.4	-90.4	-23.7
Cash flow from operating activities	36.4	16.8	-95.4	-21.6	87.8
Acquisition of business	0.0	-151.7	0.0	-785.1	-800.8
Divestment of business	0.0	23.8	0.0	23.8	33.0
Nilfisk demerger	0.0	0.0	0.0	0.0	368.7
Investments in property, plant and equipment	-4.8	-14.6	-9.7	-28.6	-50.6
Disposal of property, plant and equipment	-0.1	0.2	-0.1	1.1	0.2
Intangible assets and other investments, net	-8.5	-12.5	-13.2	-21.9	-43.8
Cash flow from investing activities	-13.4	-154.8	-23.0	-810.7	-493.3
Free cash flow	23.0	-138.0	-118.4	-832.3	-405.5
Changes in non-current loans from credit institutions	34.0	138.4	85.3	691.0	250.0
Changes in current loans from credit institutions	-75.0	18.4	0.3	25.0	33.5
Cash from issue of new shares / exercise of warrants	0.0	1.7	0.0	9.5	10.1
Cash flow from financing activities	-41.0	158.5	85.6	725.5	293.6
Net cash flow	-18.0	20.5	-32.8	-106.8	-111.9
Cash at bank and in hand at the beginning of the period	30.0	31.1	44.7	158.1	158.1
Currency adjustments	-0.3	-1.3	-0.2	-1.0	-1.5
Net cash flow	-18.0	20.5	-32.8	-106.8	-111.9
Cash at bank and in hand at the end of the period*	11.7	50.3	11.7	50.3	44.7
*Including cash classified as held for sale/distribution to owners of:	0.0	19.7	0.0	19.7	0.0

Balance sheet

Amounts in EURm	30 June 2018	30 June 2017	31 December 2017
Assets			
Intangible assets	571.9	574.1	597.4
Property, plant and equipment	656.2	720.8	698.9
Other non-current assets	57.8	49.6	51.9
Total non-current assets	1,285.9	1,344.5	1,348.2
Inventories	245.7	225.9	226.1
Receivables and income tax	383.0	348.8	283.5
Interest-bearing receivables	0.1	7.7	2.1
Cash at bank and in hand	11.7	30.6	44.7
Assets classified as held for distribution to owners	0.0	851.5	0.0
Total current assets	640.5	1,464.5	556.4
Total assets	1,926.4	2,809.0	1,904.6
Equity and liabilities			
Equity attributable to equity holders of NKT A/S	767.2	982.2	816.3
Total equity	767.2	982.2	816.3
Deferred tax	56.3	51.2	59.9
Pension liabilities	52.8	53.2	52.5
Provisions	23.0	22.6	28.5
Interest-bearing loans and borrowings	414.0	773.8	332.8
Total non-current liabilities	546.1	900.8	473.7
Interest-bearing loans and borrowings	7.3	27.4	7.2
Trade payables, tax and other liabilities	591.4	589.5	593.1
Provisions and other liabilities	14.4	16.0	14.3
Liabilities associated with assets classified as held for distribution to owners	0.0	293.1	0.0
Total current liabilities	613.1	926.0	614.6
Total liabilities	1,159.2	1,826.8	1,088.3
Total equity and liabilities	1,926.4	2,809.0	1,904.6

Comprehensive income and Equity

Amounts in EURm	Q2 2018	Q2 2017	1st half 2018	1st half 2017	Year 2017
Comprehensive income					
Net profit	1.7	32.5	-3.3	45.1	928.8
Other comprehensive income:					
<i>Items that may not be reclassified to income statement:</i>					
Actuarial gains/(losses) on defined benefit pension plans	0.0	0.0	0.0	0.0	0.2
<i>Items that may be reclassified to income statement:</i>					
Currency adjustment of foreign subsidiaries and value adjustment of hedging instruments, etc.	-9.4	-23.3	-45.8	-23.6	-35.0
Total comprehensive income for the period	-7.7	9.2	-49.1	21.5	894.0
Statement of changes in equity					
Group equity, 1 January			816.3	951.4	951.4
Total comprehensive income for the period			-49.1	21.5	894.0
Distribution of shares in Nilfisk Holding A/S to shareholders in NKT A/S			0.0	0.0	-1,039.3
Share-based payment			0.0	-0.2	0.1
Exercise of warrants			0.0	9.5	10.1
Group equity at the end of the period			767.2	982.2	816.3

Notes

Note 1 Accounting policies, accounting estimates, and risks, etc.

The Interim Report is presented in accordance with IAS 34 'Interim Financial Reporting', which has been approved by the EU, and Danish disclosure requirements for interim reports for listed companies.

NKT has implemented the standards and interpretations that become effective for 2018. The implementation of standards and interpretations has only had insignificant effect on recognition and measurement in 2018. Please refer to Note 8.3 on page 115 of the 2017 Annual Report with further details.

Regarding **accounting estimates**, please refer to Note 1.1 on page 73 of the 2017 Annual Report. Regarding **risks**, please refer to Note 6.6 on page 105 of the 2017 Annual Report and the information contained in the sections on risk management on page 30 and on page 42 of the 2017 Annual Report.

On 2 April 2014 NKT received a fine of EUR 4m following the investigation conducted by the European Commission into alleged price-fixing activities with regard to high-voltage power cable projects, cf. Company Announcement No. 8 2014. While the European Commission assessed that NKT's role had been substantially limited and the fine was considerably smaller than those imposed on other cable manufacturers, NKT disagrees with the Commission's decision and therefore filed an appeal. The European General Court has rejected all appeals against the decision including

NKT's appeal on 12 July 2018. NKT is considering whether to initiate a further appeal before the European Court of Justice. As a consequence of the Commission's decision, NKT and other power cable producers face exposure to claims for damages in proceedings brought by customers or other third parties, including claims that have been filed by National Grid, Scottish Power and Vattenfall in the UK. In line with its appeal against the Commission's decision, NKT contests any civil damages claim that is based on this decision.

According to the regulation for financial statements preparation, the Group Management is required to determine whether the interim statement can be presented on a 'going concern' basis. Based on outlook estimates, including examination of the latest 'forecast 2018', and future cash flow expectations, existence of credit facilities, etc., it is the opinion of the Group Management that there are no factors giving rise to doubt as to whether NKT can continue operating for at least 12 months from the balance sheet date. Information concerning Group cash resources and expectations for 2018 are included in the Management's review.

Note 2 Segment reporting

Amounts in EURm	Q2 2018	Q2 2017*	1st half 2018	1st half 2017*	Year 2017*
Revenue (market prices)					
NKT – Solutions	178.9	177.6	338.5	262.2	680.2
NKT – Applications	192.3	185.4	355.7	358.9	668.3
NKT – Service & Accessories	44.7	31.2	80.5	47.6	106.9
Elimination of transactions between segments	-8.7	-3.9	-16.4	-4.6	-26.5
NKT	407.2	390.3	758.3	664.1	1,428.9
NKT Photonics	17.6	11.2	30.0	18.7	50.9
Elimination of transactions between segments	-0.1	0.0	-0.1	0.0	-0.5
NKT A/S	424.7	401.5	788.2	682.8	1,479.3
Revenue (std. metal prices)					
NKT – Solutions	160.9	154.6	300.4	228.3	589.0
NKT – Applications	115.1	108.3	206.8	209.9	399.9
NKT – Service & Accessories	37.1	26.4	67.3	39.9	88.7
Elimination of transactions between segments	-6.7	-1.2	-13.6	-4.8	-19.6
NKT	306.4	288.1	560.9	473.3	1,058.0
NKT Photonics	17.6	11.2	30.0	18.7	50.9
Elimination of transactions between segments	0.0	0.0	0.0	0.0	-0.5
NKT A/S	324.0	299.3	590.9	492.0	1,108.4
Operational EBITDA					
NKT – Solutions	26.1	32.8	44.8	40.6	110.6
NKT – Applications	4.5	6.2	4.0	16.8	23.2
NKT – Service & Accessories	3.8	5.4	9.6	6.3	11.4
Non-allocated costs	-2.3	-1.5	-5.9	-3.0	-6.9
NKT	32.1	42.9	52.5	60.7	138.3
NKT Photonics	1.0	0.7	-0.5	-1.4	3.5
NKT A/S	33.1	43.6	52.0	59.3	141.8
One-off costs	-7.5	-5.1	-10.6	-19.7	-44.9
EBITDA					
NKT	24.6	37.8	41.9	41.0	93.4
NKT Photonics	1.0	0.7	-0.5	-1.4	3.5
NKT A/S	25.6	38.5	41.4	39.6	96.9

* Allocation between segments is based on management's estimate.

Note 2 Segment reporting – continued

Amounts in EURm	Q2 2018	Q2 2017*	1st half 2018	1st half 2017*	Year 2017*
Operational EBIT					
NKT – Solutions	10.6	17.8	13.1	18.3	51.4
NKT – Applications	2.1	3.6	-0.9	11.4	11.7
NKT – Service & Accessories	2.8	4.9	7.9	5.4	9.4
Non-allocated costs	-2.7	-1.7	-6.7	-3.4	-8.6
NKT	12.8	24.6	13.4	31.7	63.9
NKT Photonics	-1.0	-0.5	-4.1	-3.6	-1.7
NKT A/S	11.8	24.1	9.3	28.1	62.2
One-off costs	-7.5	-5.1	-10.6	-19.7	-44.9
EBIT					
NKT	5.3	19.5	2.8	12.0	19.0
NKT Photonics	-1.0	-0.5	-4.1	-3.6	-1.7
NKT A/S	4.3	19.0	-1.3	8.4	17.3
Working capital					
NKT – Solutions	-65.4	-56.1	-65.4	-56.1	-134.6
NKT – Applications	54.6	15.4	54.6	15.4	22.1
NKT – Service & Accessories	13.0	15.3	13.0	15.3	7.9
Non-allocated items	12.6	-5.2	12.6	-5.2	-1.9
NKT	14.8	-30.6	14.8	-30.6	-106.5
NKT Photonics	22.5	16.2	22.5	16.2	23.1
Non-allocated items	0.0	0.0	0.0	0.0	-0.1
NKT A/S (continuing operations)	37.3	-14.4	37.3	-14.4	-83.5

* Allocation between segments is based on management's estimate.

Note 3 Other notes

Amounts in EURm	30 June 2018	30 June 2017	31 December 2017
Net interest-bearing debt			
Interest-bearing loans and borrowings, non-current	414.0	773.8	332.8
Interest-bearing loans and borrowings, current	7.3	27.4	7.2
Interest-bearing receivables	-0.1	-7.7	-2.1
Cash at bank and in hand	-11.7	-30.6	-44.7
Net interest-bearing debt classified as held for distribution to owners	0.0	-20.6	0.0
Net interest-bearing debt	409.5	742.3	293.2
Working capital			
Inventories	245.7	225.9	226.1
Receivables and income tax	383.0	348.8	283.5
Trade payables, tax and other liabilities	-591.4	-589.5	-593.1
Working capital classified as held for distribution to owners	0.0	184.7	0.0
Working capital	37.3	169.9	-83.5

Note 4 Definitions

Items below refer to the Financial Highlights contained on page 27.

1. **Revenue in std. metal prices** – Revenue in std. metal prices for copper and aluminium fixed at EUR/tonne 1,550 and EUR/tonne 1,350 respectively.
2. **Organic growth** – Absolute organic sales growth (standard price) as a percentage of prior-year adjusted revenue (standard price). Organic growth is a measure of growth, excluding the impact of exchange adjustments from year-on-year comparisons, and including acquisitions and divestments. For acquisitions a pro forma revenue for the prior year is included in the calculation, and for divestments revenue for the prior year is removed from the calculation.
3. **Operational earnings before interest, tax, depreciation and amortisation (Oper. EBITDA)** – Earnings before interest, tax, depreciation and amortisation (EBITDA) adjusted for one-off items.
4. **Operational earnings before interest and tax (Oper. EBIT)** – Earnings before interest and tax (EBIT) adjusted for one-off items.
5. **Net interest-bearing debt** – Cash, investments and interest-bearing receivables less interest-bearing debt.
6. **Capital employed** – Group equity plus net interest-bearing debt.
7. **Working capital** – Current assets minus current liabilities (excluding interest-bearing items and provisions).
8. **8) Net interest-bearing debt relative to operational EBITDA** – Operational EBITDA is calculated including discontinued operations on a rolling 12-months basis (LTM).
9. **Solvency ratio (equity as a percentage of total assets)** – Equity excl. non-controlling interest as a percentage of total assets.
10. **Return on capital employed (RoCE)** – Operational EBIT as a percentage of average capital employed. Calculated including discontinued operations on a rolling 12-months basis (LTM).
11. **Earnings, EUR per outstanding share (EPS)** – Earnings attributable to equity holders of NKT A/S relative to average number of outstanding shares (EPS).
12. **Equity value, EUR per outstanding share** – Equity attributable to equity holders of NKT A/S at period end per outstanding share at period end. Dilutive effect from warrants plan for Group Management and employees is not included in this ratio.

Statements made about the future in this report reflect the Group Management's current expectations with regard to future events and financial results. Statements about the future are by their nature subject to uncertainty, and the results achieved may therefore differ from the expectations, among other things due to economic and financial market developments, legislative and regulatory changes in NKT A/S markets, development in product demand, competitive conditions, and energy and raw material prices. See also latest Annual Report for a more detailed description of risk factors.

NKT A/S disclaims any liability to update or adjust statements about the future or the possible reasons for differences between actual and anticipated results except where required by legislation or other regulations.

The NKT A/S Interim Report Q2 2018 was published on 15 August 2018 and released through Nasdaq Copenhagen. The report is also available at investors.nkt.com.

NKT A/S, Vibeholms Allé 20, DK-2605 Brøndby, Denmark. Company reg. no. 62 72 52 14.
Photos: Courtesy of NKT.

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Financial highlights and ratios

Amounts in EURm	Q2 2018	Q2 2017	1st half 2018	1st half 2017	Year 2017
Income statement					
Revenue	424.7	401.5	788.2	682.8	1,479.3
Revenue in std. metal prices ¹⁾	324.0	299.3	590.9	492.0	1,108.4
Operational earnings before interest, tax, depreciation and amortisation (Oper. EBITDA) ³⁾	33.1	43.6	52.0	59.3	141.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)	25.6	38.5	41.4	39.6	96.9
Depreciation and impairment of property, plant and equipment	-16.0	-16.2	-32.4	-25.4	-61.3
Amortisation and impairment of intangible assets	-5.3	-3.3	-10.3	-5.8	-18.3
Operational earnings before interest and tax (Oper. EBIT) ⁴⁾	11.8	24.1	9.3	28.1	62.2
Earnings before interest and tax (EBIT)	4.3	19.0	-1.3	8.4	17.3
Financial items, net	-1.5	-6.0	-3.6	-7.9	-14.7
Earnings before tax (EBT)	2.8	13.0	-4.9	0.5	2.6
Profit from continuing operations	1.7	10.0	-3.3	2.1	-3.4
Profit from discontinued operations	0.0	22.5	0.0	43.0	932.2
Net profit	1.7	32.5	-3.3	45.1	928.8
Profit attributable to equity holders of NKT A/S	1.7	32.5	-3.3	45.1	928.8
Cash flow					
*Cash flow from operating activities	36.4	16.8	-95.4	-21.6	87.8
*Cash flow from investing activities	-13.4	-154.8	-23.0	-810.7	-493.3
*hereof investments in property, plant and equipment	-4.8	-14.6	-9.7	-28.6	-50.6
*Free cash flow	23.0	-138.0	-118.4	-832.3	-405.5
Balance sheet					
Share capital	72.8	72.8	72.8	72.8	72.8
*Equity attributable to equity holders of NKT A/S	767.2	982.2	767.2	982.2	816.3
*Group equity	767.2	982.2	767.2	982.2	816.3
*Total assets	1,926.4	2,809.0	1,926.4	2,809.0	1,904.6
*Net interest-bearing debt ⁵⁾	409.5	742.3	409.5	742.3	293.2
*Capital employed ⁶⁾	1,176.7	1,724.5	1,176.7	1,724.5	1,109.5
*Working capital ⁷⁾	37.3	169.9	37.3	169.9	-83.5
Financial ratios and employees					
Operational EBITDA margin, continuing operations (std. metal prices)	10.2%	14.6%	8.8%	12.1%	12.8%
*Gearing (net interest-bearing debt as % of Group equity)	53%	76%	53%	76%	36%
*Net interest-bearing debt relative to operational EBITDA ⁸⁾	3.0	2.6	3.0	2.6	1.9
*Solvency ratio (equity as % of total assets) ⁹⁾	40%	35%	40%	35%	43%
*Return on capital employed (RoCE) (LTM) ¹⁰⁾	4.8%	12.8%	4.8%	12.8%	11.8%
Number of DKK 20 shares ('000)	27,126	27,112	27,126	27,112	27,126
*Earnings, EUR per outstanding share (EPS) ¹¹⁾	0.1	1.2	-0.1	1.7	34.3
Distribution of shares in Nilfisk Holding A/S, value DKK per share	0.0	0.0	0.0	0.0	285.2
*Equity value, EUR per outstanding share ¹²⁾	28	36	28	36	30
*Market price, DKK per share	175	522	175	522	283
*Average number of employees	3,724	9,235	3,724	9,235	3,600

^{1)–12)} Definitions appear in Note 4. *) Including discontinued operations in 2017

Financial highlights and ratios are calculated as defined in the 2017 Annual Report.

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