

The NKT logo is displayed in a white, stylized, blocky font in the top left corner. The background of the entire slide is a blue-tinted photograph of an offshore wind farm, featuring several wind turbines and a large offshore platform in the ocean.

NKT

**NKT – Our passion brings
power to life**

2017 Capital Markets Day

Forward looking statements

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



Agenda

1. Introduction to NKT A/S

2. NKT

2.1. Introduction to NKT

2.2. Solutions

2.3. Applications

2.4. Service & Accessories

2.5. Excellence 2020 strategy

2.6. NKT financial performance

3. NKT Photonics

3.1. Introduction to NKT Photonics

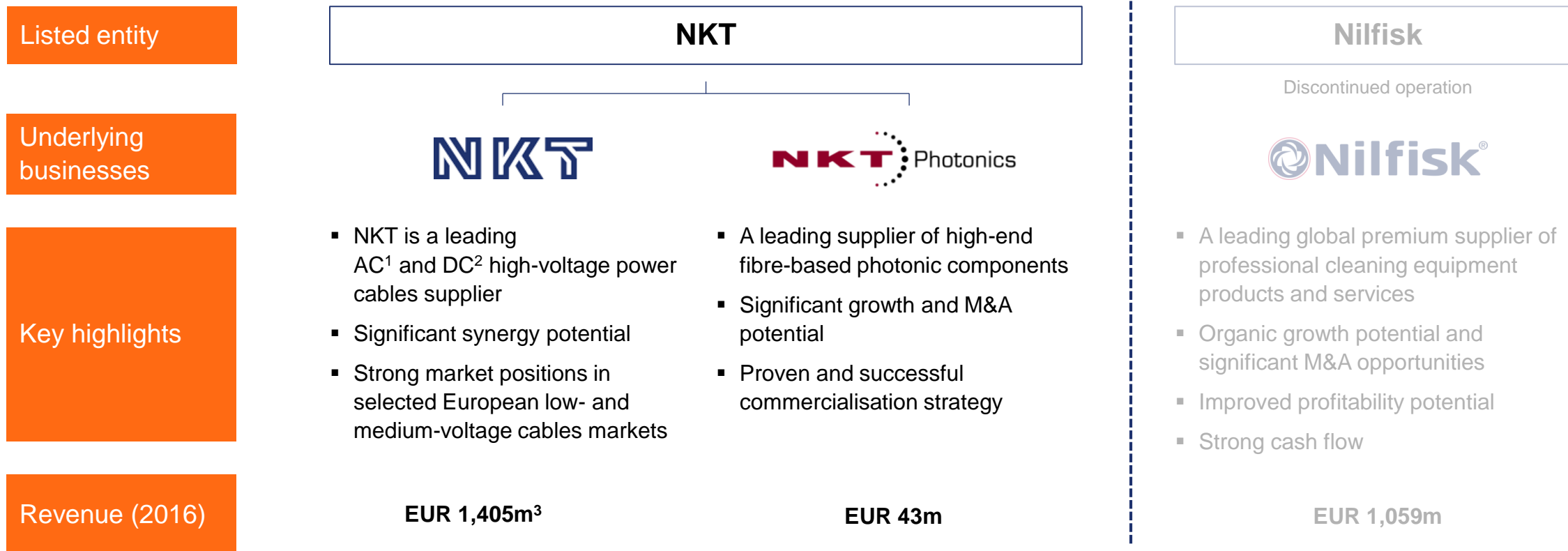
3.2. Investment highlights

3.3. NKT Photonics financial performance

4. NKT A/S financial performance

5. Conclusion and Q&A

Intention to split NKT A/S into two separately listed entities



¹ Alternating current

² Direct current

³ Pro forma figures are 2016 NKT actuals, combined with 2016 pro forma figures for ABB HV Cables. Revenue is in market prices

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Experienced management team to deliver next phase of profitable growth



Michael Hedegaard Lyng

President and CEO
Danish citizen
21 years of relevant industry experience



Roland M. Andersen

CFO
Danish citizen
20 years of experience in Finance



Detlev Waimann

CTO
German citizen
22 years of experience in the Cables Industry



Dietmar Müller

COO
German citizen
25 years of experience in Operations



Lika Thiesen

CHRO
Danish citizen
17 years of experience in Human Resources



Andreas Berthou

EVP HV Solutions
Swedish citizen
18 years of experience in the Power Industry



Oliver Schlodder

EVP Service & Accessories
German citizen
11 years of experience in Energy Industry & Strategy



Frida Norrbom Sams

EVP Applications
Swedish citizen
22 years of relevant industrial experience

 Presenting today

NKT at a glance – positioned to support the growing need for energy



Leading power cable producer

With strong position in HVDC¹ power cable market globally

EUR ~1.4bn

2017E revenue (EUR ~1.1bn in std. metal prices)

EUR ~140m

2017E operational EBITDA

~3,400 employees

In 12 different countries

Embrace and drive change

Acquisition of ABB HV Cables and disposal of non-core operations

Technological leadership

In attractively growing Solutions business

Entrenched customer base for MV/LV Products²

In stable Applications business

Cost-effective manufacturing facilities

Operating at the highest technological level

NKT is bringing power to life

¹ HVDC = High-voltage direct current

² MV = Medium-voltage and LV = Low-voltage

Pioneering the cable industry with world's firsts

A proven track record of valuable solutions for +125 years

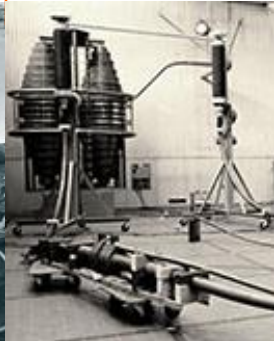
1891

The Dane Hans Peter Prior founded Nordisk Elektrisk Ledningstråd og kabelfabrik, later known as NKT



1973

World's first XLPE¹ HVAC offshore cable



1998

World's first XLPE HVDC cable Gotlight (80 kV), delivered



2014

World's first 525 kV XLPE HVDC cable



2017

World's first tested and qualified 640 kV XLPE HVDC underground cable



1954

World's first HVDC MI² interconnector cable

1986

World's first 145 kV XLPE cross-linked cables



2010

Opening the new production plant in Cologne with longest CCV line in the world



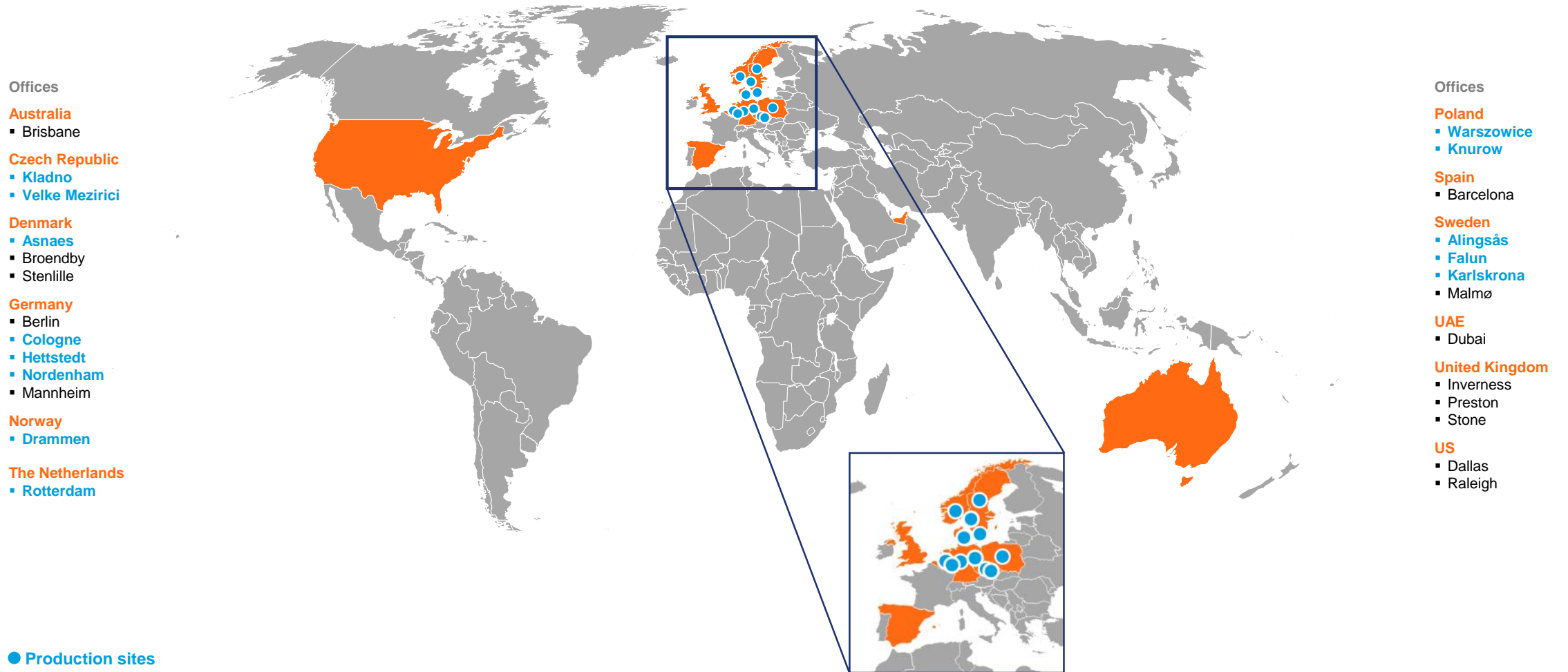
2016

State-of-the-art factory in Karlskrona extended & world's largest high-voltage test lab completed

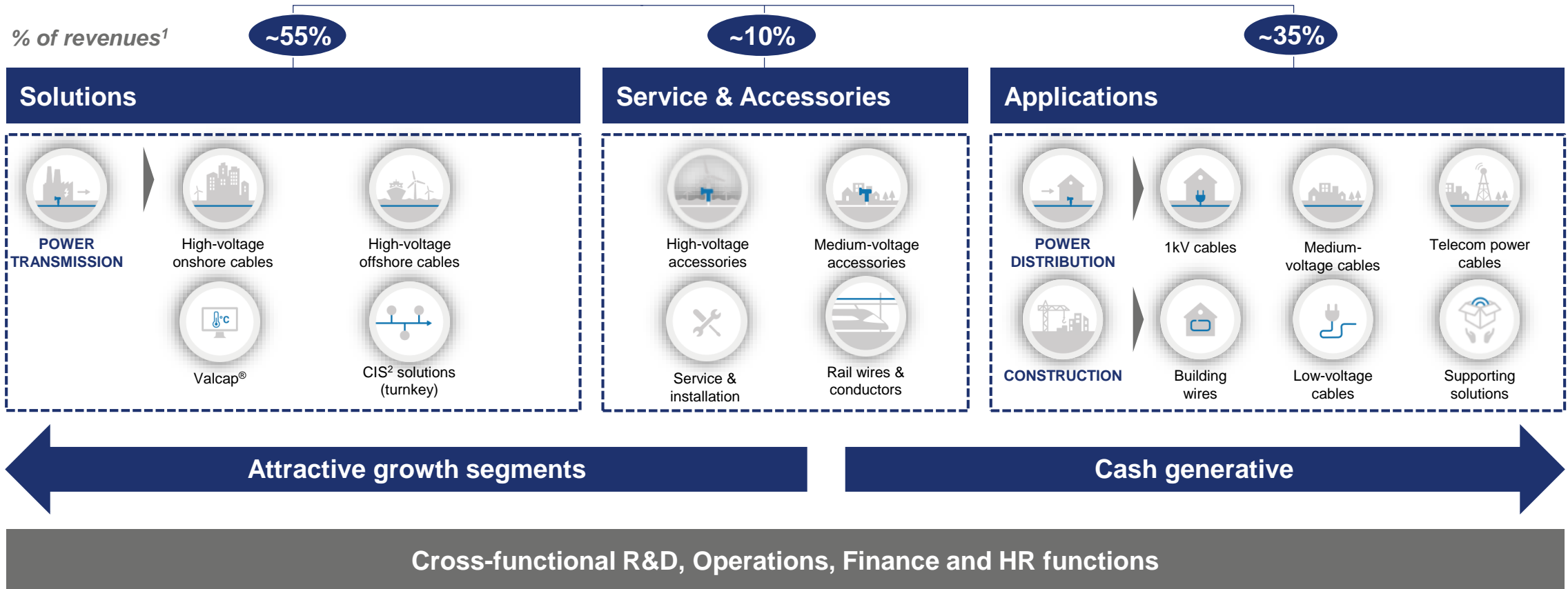
¹ XLPE = Cross-linked polyethylene

² MI = Mass impregnated

Nordic heritage with global reach: NKT has a “glocal” mind-set rooted in trusted partnerships



Moving to an integrated, functional sales organisation with balanced exposure to diverse markets



¹ Management estimate, based on 2017E external revenue in std. metal prices

² Cable, Installation and Service

NKT ensures that our customers across all product groups are at the forefront of their industries



Customer group	TSO & developers	Utilities/ DSO	Contractors	Wholesalers	OEMs	Railway
Products and Services	<ul style="list-style-type: none"> HV cables and accessories System approaches Installation services Monitoring services On- and Offshore 	<ul style="list-style-type: none"> HV/MV/LV cables Accessories Installation services Monitoring services 	<ul style="list-style-type: none"> HV cables MV/LV cables BW cables Installation services 	<ul style="list-style-type: none"> BW¹ and LV cables Fire resistant cables Delivery/Inventory mgmt. services 	<ul style="list-style-type: none"> BW and LV cables Flexibles Accessories 	<ul style="list-style-type: none"> Cable conductors Return conductors MV accessories
Revenue contribution*	65%		6%	25%	2%	2%
Customers selection						

* Management estimate, based on 2016 revenue in std. metal prices incl. ABB HV Cables pro forma revenue

¹ Building wires

A number of industrial megatrends underpin long-term growth opportunities in the global cable industry...



1 Green energy

- Legislative goals to reach Paris 2015 goals worldwide
- Fast expansion of renewable energy sources



2 Displacement in electricity production

- Large production capacity located far away from consumption
- Security of supply ensured by connected grid



3 Shift towards underground cables

- Aging grid infrastructure needs to be replaced
- Public pressure to use cables supported by government initiatives (e.g.: DE, DK, SE)



4 Connected grid

- Rapid expansion of transnational grid due to cost efficiency, increased grid reliability and active trade (e.g. Europe)
- Legislative goals in Europe



5 Economic & Population growth

- Growing world economy, population expansion and urbanisation increase the demand for modern infrastructure

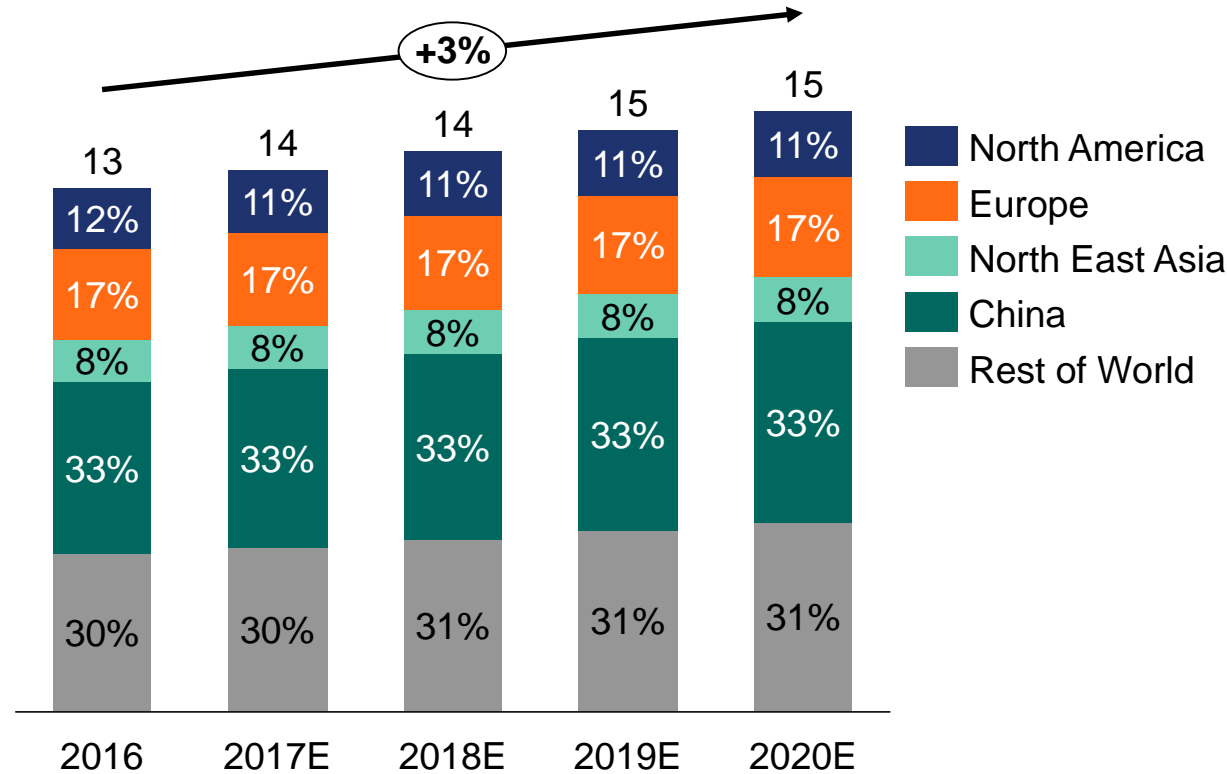


6 Industry Consolidation

- Current cable player landscape fragmented
- Further consolidation expected

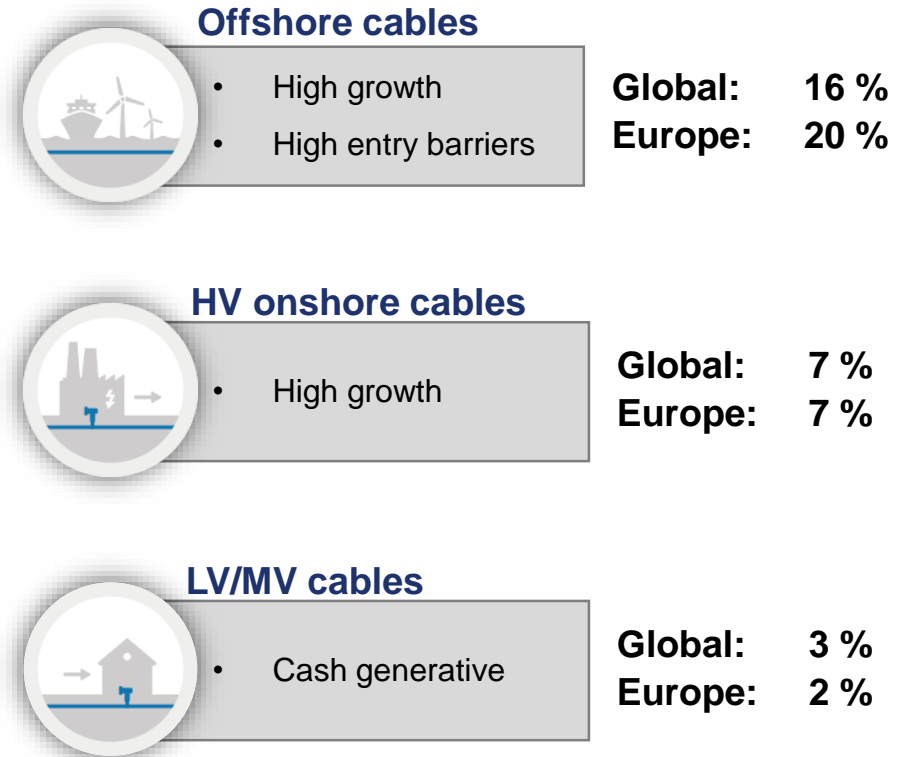
... and translates to **solid market growth**

Global cable market per region (million tonnes conductor)



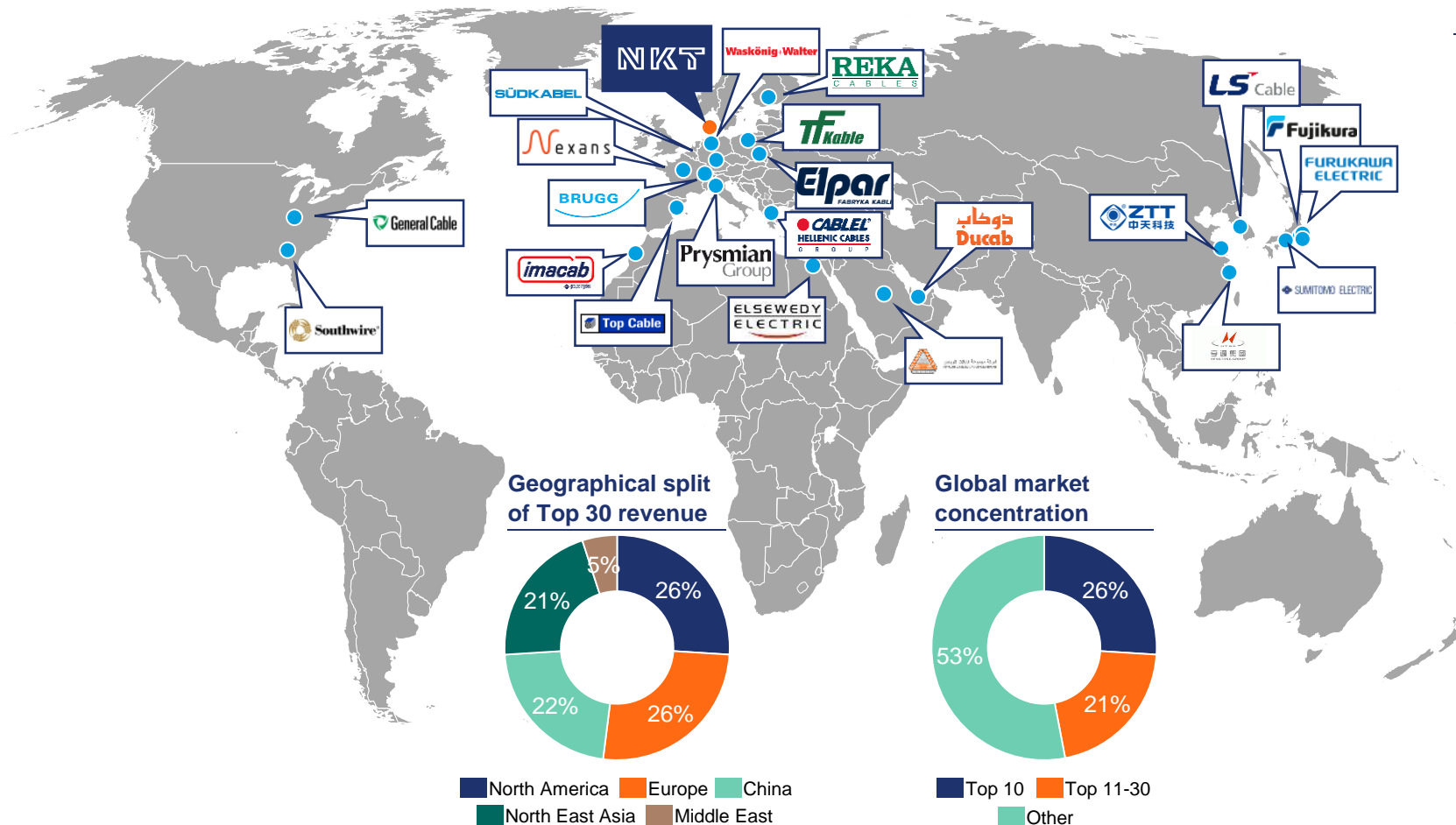
NKT core market growth expectations

CAGR 2016 – 20



Diverse competitive landscape with few global contenders

– further industry consolidation expected



Key characteristics

- Fragmented global market, but with the majority of companies acting regional
- Top 10 largest wire and cable producers by revenue account for 26% of global market value
- NKT has a robust market position in various European countries and product segments
- Strong product portfolio and a “glocal” mind set will lead to further opportunities outside Europe
- Consolidation remains a prevalent topic in the industry

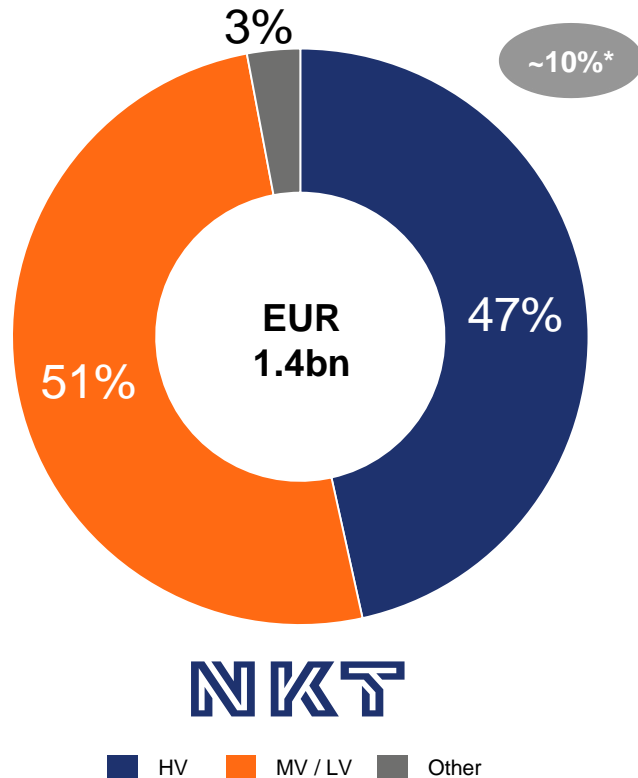
Key investment highlights: The most well-defined growth and margin-enhancement trajectory among key competitors



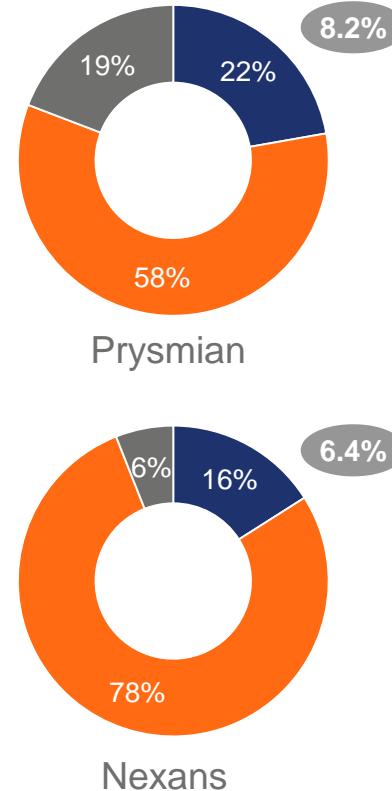
- 1 NKT is well positioned in some of the most profitable segments within the cable industry
- 2 Leading provider of high quality solutions to address the growing global HVDC and established HVAC markets
- 3 A leading European player in the LV/MV segment with focus on profitable growth
- 4 Scalable cost-effective manufacturing facilities and world-class turnkey capabilities
- 5 Best-in-class margin profile in the cables sector with a focus on improving RoCE
- 6 Opportunities and ambition to deliver on Excellence 2020 program and realisation of synergy potential

1 Attractive product mix split between high growth and more stable segments

NKT 2016 pro-forma revenue split, market prices



Key global competitors



Commentary

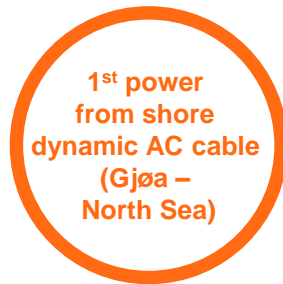
- NKT has a **balanced revenue split** between the high-voltage and low- and medium-voltage segments
- The high-voltage market offers an **attractive growth opportunity** with the solid market position of NKT
 - This higher risk business using a **well-established enterprise risk management system**
- In the more stable low- and medium-voltage market, NKT holds **strong market positions** in selected Northern and Eastern European countries

Operational adjusted EBITDA margin at market prices (Prysmian and Nexans: 2016A, and *NKT: 2017E)

2 Leading provider of high quality solutions to address the growing global HVDC and established HVAC markets



NKT is a global technological leader



NKT has a complete product portfolio



HV offshore DC cables



HV onshore DC cables

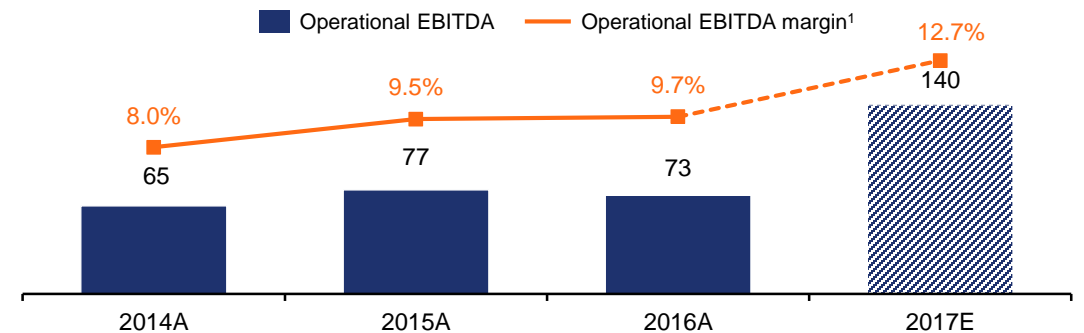


HV offshore AC cables



HV onshore AC cables

High-voltage is a growing part of NKT earnings



NKT operates a fully-integrated CIS model



¹ Based on std. metal prices

3

A leading European player in the LV/MV segment with focus on profitable growth



Strong presence in various European key markets

A market leading ...

... and growing platform



Full range of MV, LV and BW products



MV cables



Flexible cables



Building Wires



LV cables



Installation cables



Telecom power cables

Long-standing relationships with customers

> 10 years

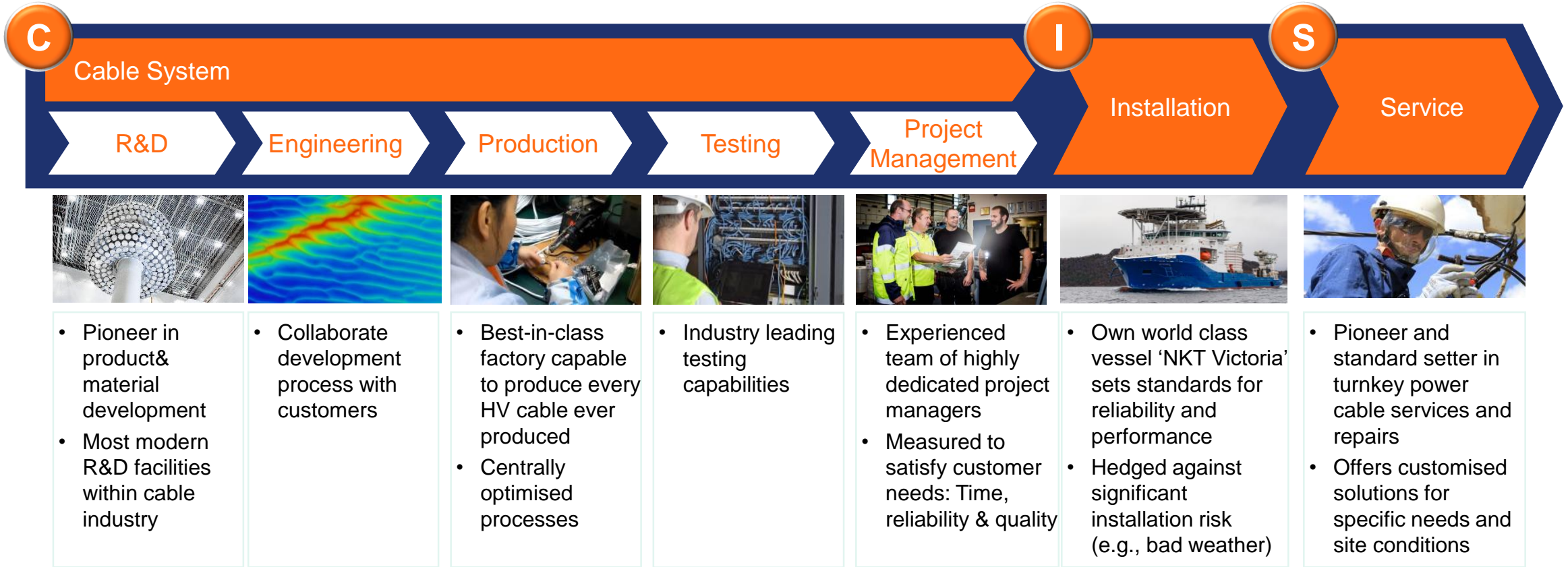


Broad distribution network

- Multi-channel distribution approach to ensure custom-specific offers and one stop shopping
- Global wholesaler allows NKT to reach markets easily and efficiently
- Frame agreements with large OEM's and major Utilities/DSO's to ensure participation in mega projects
- Local/regional know how guaranteed by local facilities and sales teams

4

Cost-effective manufacturing facilities and integrated turnkey capabilities ensures strong market positioning



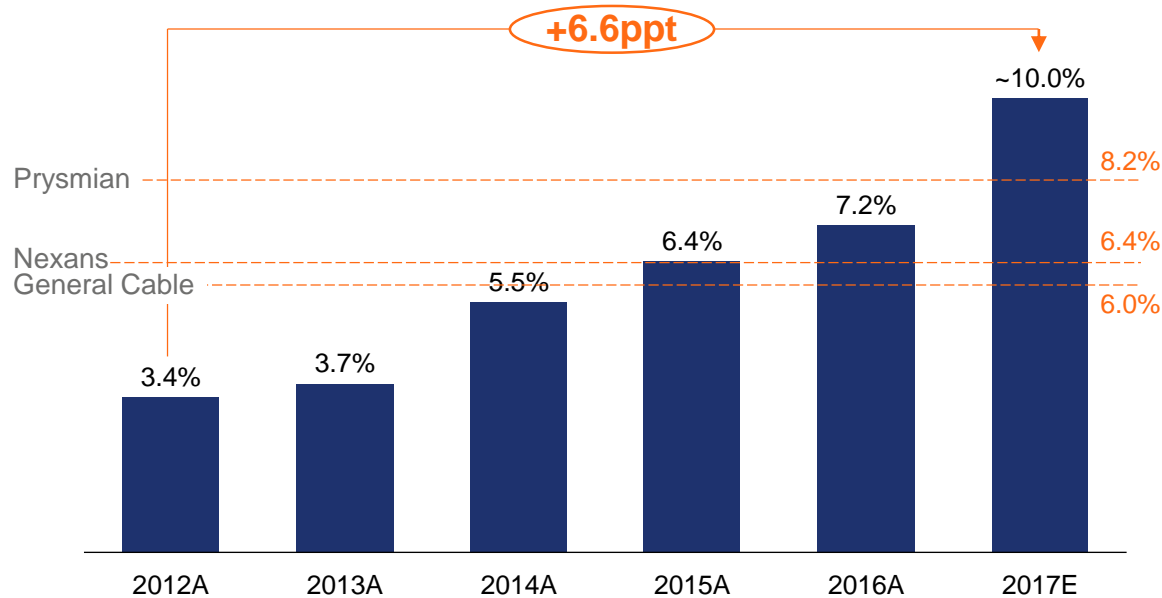
Dedicated teams and assets across value chain enables solid track record of executed turnkey projects

Best-in-class margin profile with focus on improving RoCE

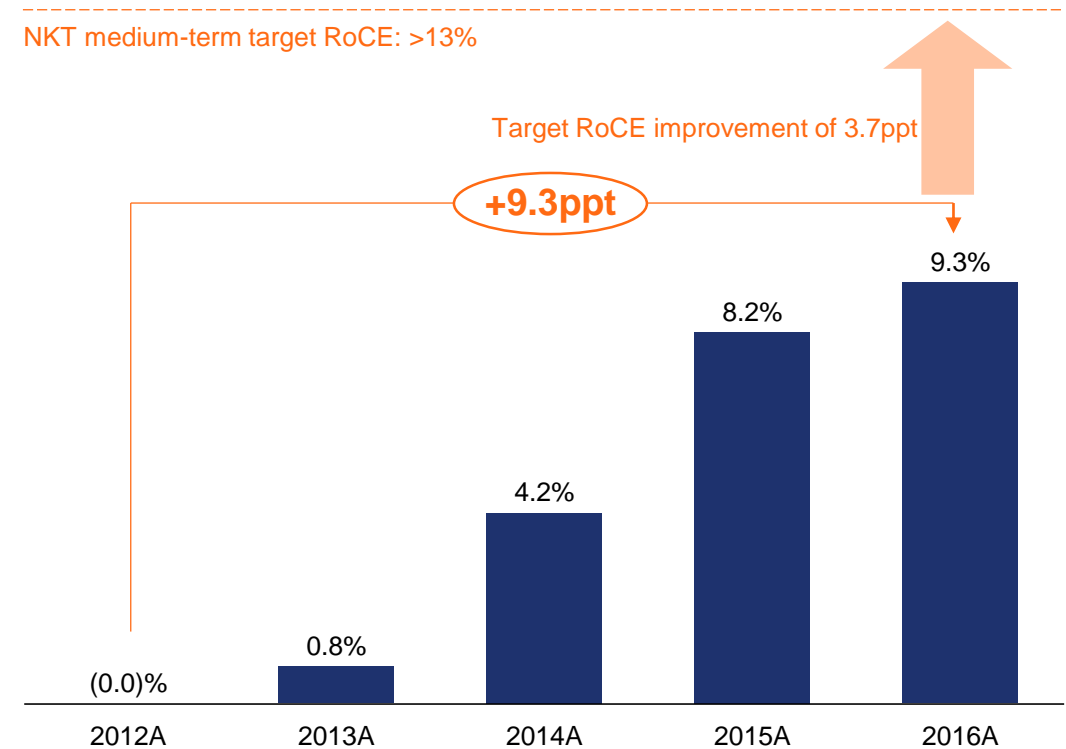


5

Operational EBITDA margin evolution



Return on capital employed



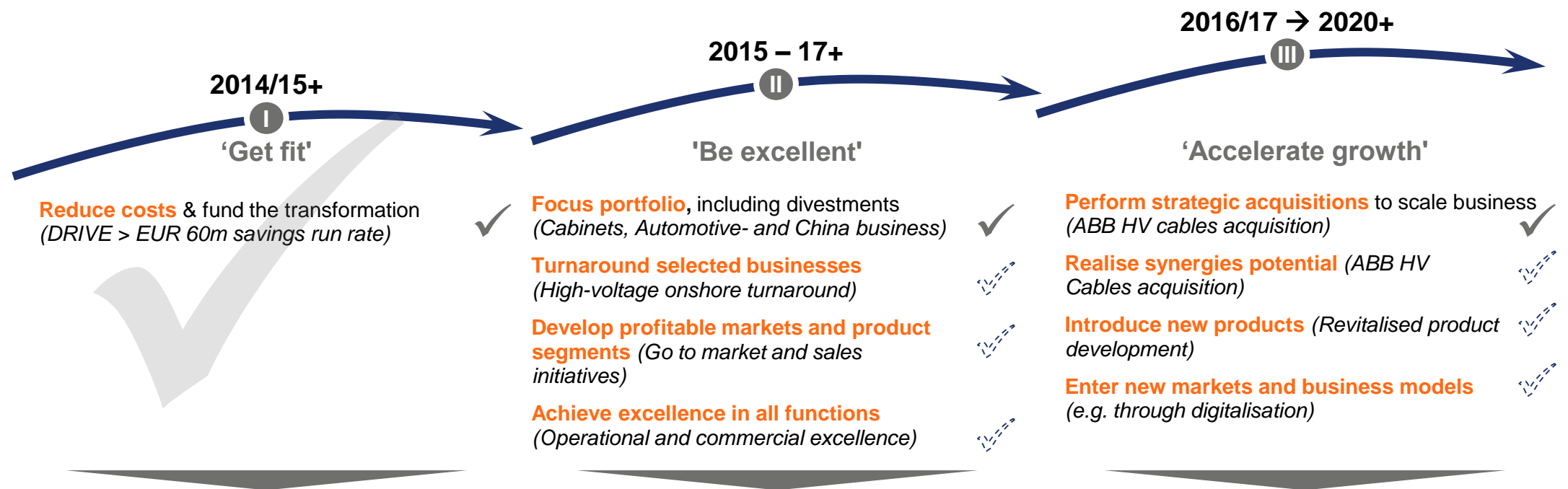
Source: Companies annual report

Note: Revenue based on market prices; EBITDA margin of Prysmian based on reported 2016A EBITDA, adjusted for Associates; EBITDA margin of Nexans based on reported EBITDA margin; EBITDA margin of General Cable based on reported adjusted EBITDA margin

Return on capital employed calculated as operational EBIT as a percentage of average capital employed

6 Clear strategic journey

The Excellence 2020 strategy will cover the next two phases of the transformation initiated in 2015



Main focus: Cost

Main focus: Profitability

Main focus: Targeted growth

	2013A	2015A	2016A	2017E
Revenue (EURm) ¹	808	858	750	~1,100
Op. EBITDA (EURm)	45	77	73	~140
margin, % ¹	5.6%	9.0%	9.7%	~12.7%

¹ At standard prices

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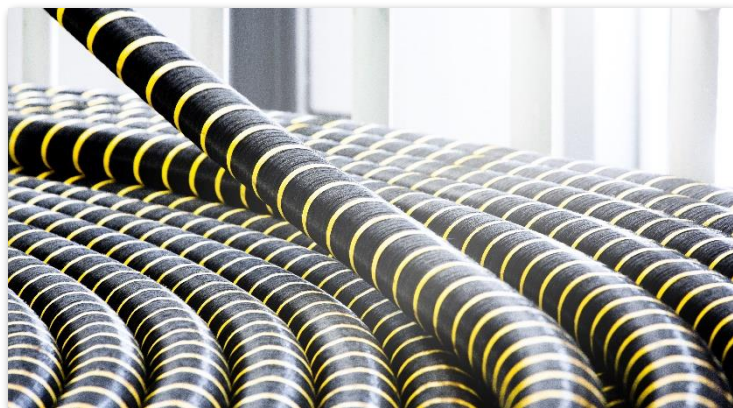
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Solutions: World leading supplier of premium off- and onshore high-voltage cable systems

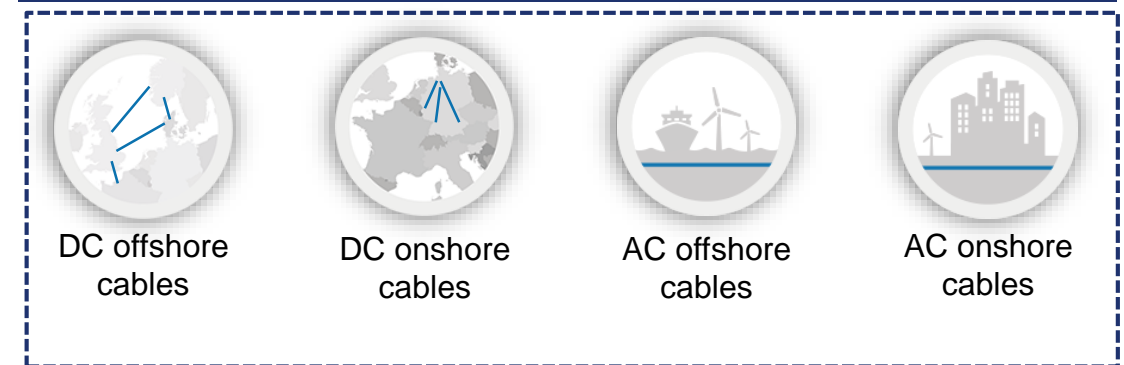


Capabilities

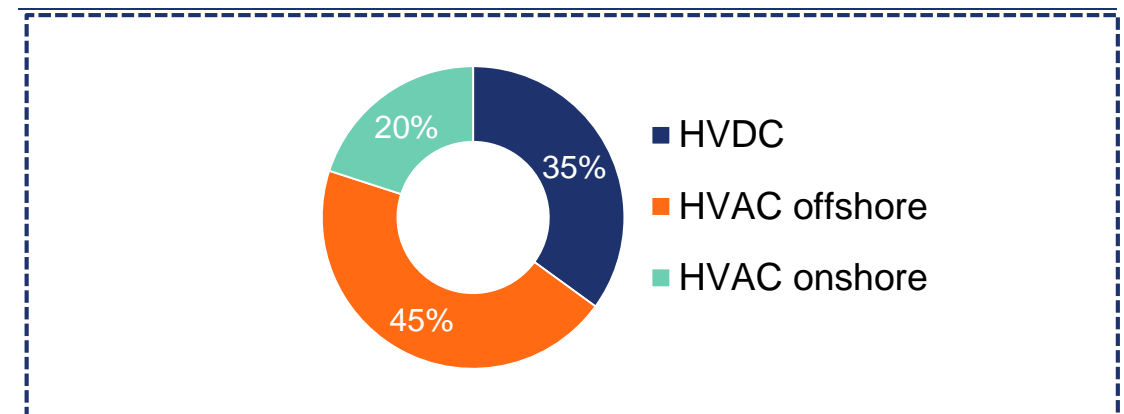
- Leading supplier of premium off- and onshore high-voltage cable systems
- Market leader in Offshore Wind, unmatched experience in HVDC
- Complete offering of design, manufacture, installation & service offering
- Strategically located production facilities in Cologne and Karlskrona close to the market and with global reach
- Offshore competence center and logistics center in Rotterdam
- Dedicated state-of-the-art cable laying vessel NKT Victoria
- Long lasting, close customer relationships based on reliable project execution



Product segments



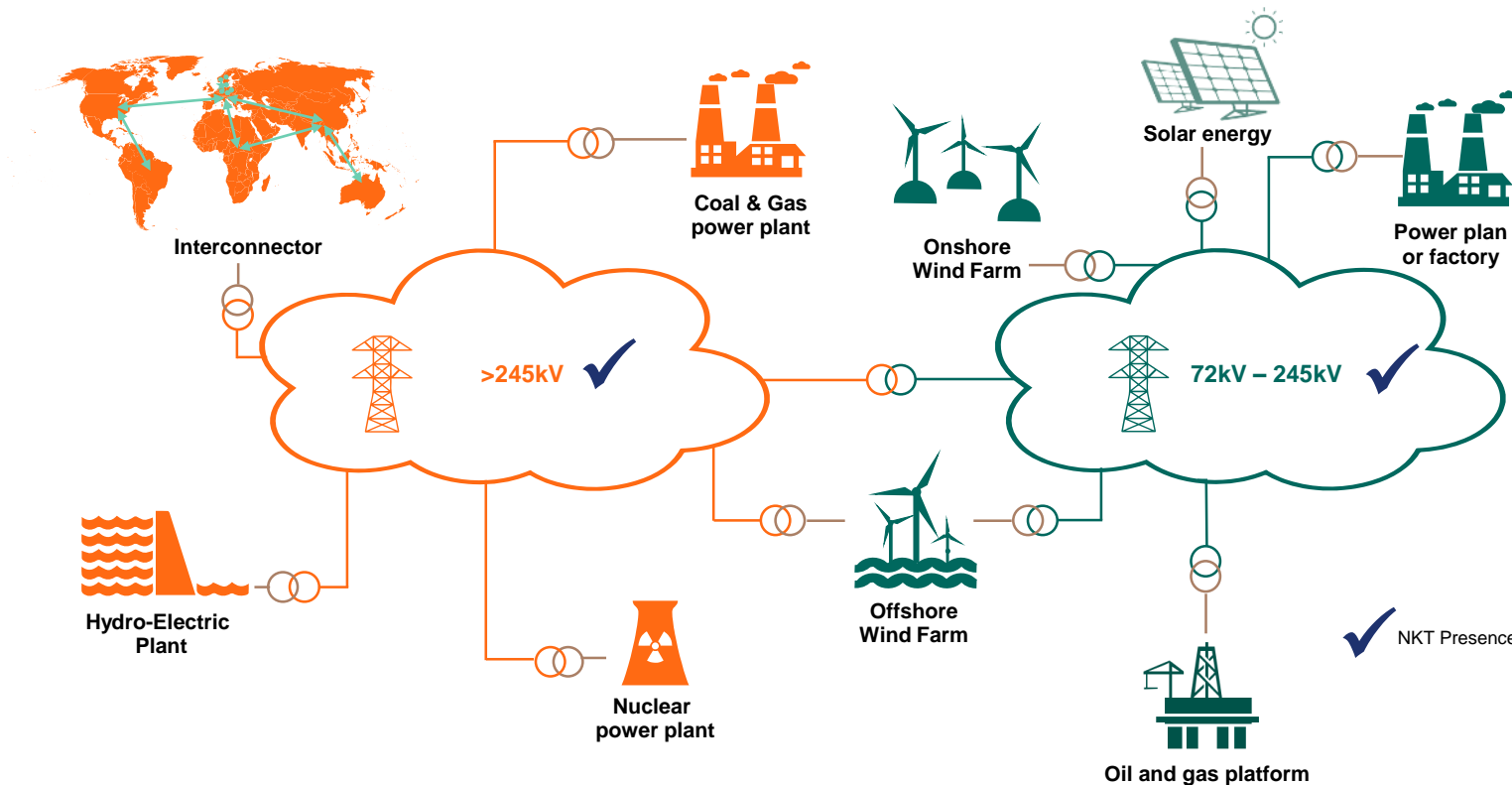
Revenue breakdown*



* Management estimate, based on 2017E revenue in std. metal prices

NKT supplies whole transmission market from production to consumption

High-level overview of the electric transmission power grid



NKT excels in both AC and DC



- High-voltage cables are used to transmit electricity both onshore and offshore
- HVAC used for cable systems in general up to ~150 km – HVDC systems mostly used for length above ~150 km (especially required for interconnectors)
- NKT offers extensive tailored product portfolio from AC to DC to meet customer demands

Broad product portfolio with best in the class technologies – world's first 640 kV XLPE HVDC



Extruded Insulation System

Paper/Oil

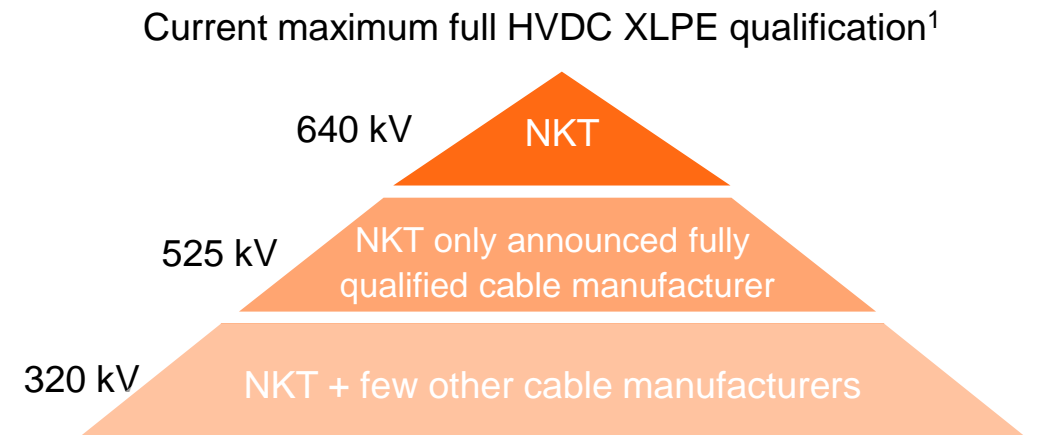
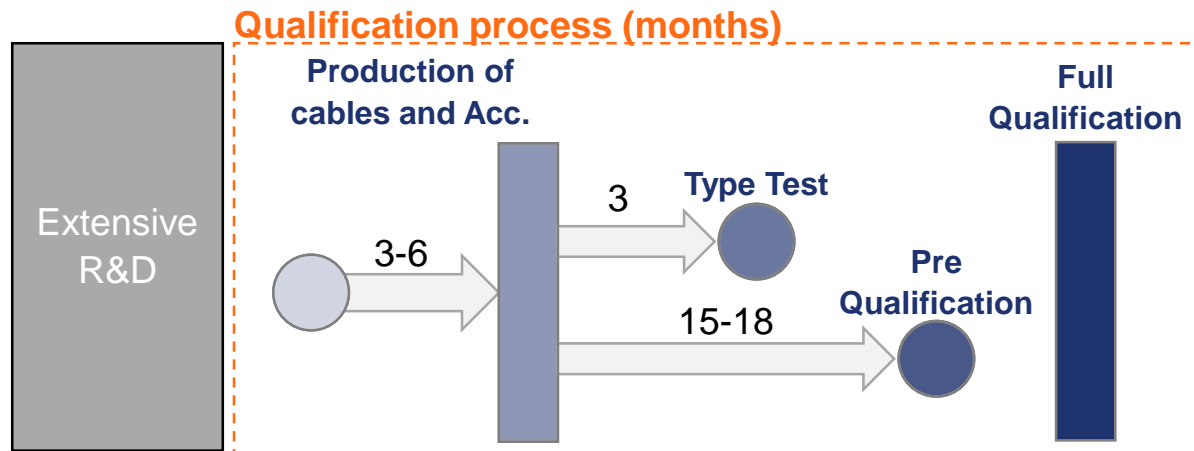
	Onshore AC XLPE		Onshore DC XLPE	Offshore AC XLPE		Offshore DC XLPE	On/offshore MI
	Maximum voltage	550 kV	245 kV	640 kV	420 kV		525 kV
Type	Single core	Three core	Single core	Single core	Three core	Single core	Single core
Prequalification & Type Testing	✓		✓	✓		✓	✓
Relevant product							

NKT is a leading global player in the high-voltage DC market



...requires high capabilities and impedes market entrance

Extensive R&D and qualification process ...



NKT competitive advantage

- NKT supplied 40-50 % of all installed HVDC offshore cables worldwide²
 - First MI DC project in 1953 and first XLPE DC project in 1998
- World's largest high-voltage test laboratory for qualification of cable systems
 - Ensures NKT to be one step ahead of competitors
 - Built to meet 1000kV cable requirements



¹ Full qualification: Successful performed a type test and successfully performed a long-term test (Prequalification test)

² Source; 4C Offshore.



Two of the most technologically advanced and efficient HV **NKT** production facilities in the world



Karlskrona, Sweden



- Invested in significant upgrades in the past five years
- World's largest HV test laboratory for qualification of cable systems built to meet 1,000kV cable requirements
- Own harbour with direct sea access
- Potential for capacity expansion

DC

AC



Cologne, Germany



- Longest CCV line in the world allowing to produce best-in-class cable lengths without joints
- Currently in the process of being qualified for DC cable production
- Inaugurated in 2010
- Potential for capacity expansion

DC¹

AC



Supported by our dedicated logistic & marine and offshore engineering centre in Rotterdam

¹ Currently in the process of being qualified for DC cable production

NKT Victoria

- state-of-the-art cable-laying vessel

Minimized installation risk and reduced charter costs in the cable installation process

- **Technology:** World's most advanced cable laying vessel
- **Dimensions:** 140 meters in length, 30 meters in width
- **Capacity:** Turntable space for 9,000 tons of cable
- **Key features:**
 - High-end positioning system (DP3)
 - Safe and efficient operations
 - Improved execution reliability with good weather performance
 - Significant cut fuel consumption (50% CO2 reduction)
 - Maximum laying accuracy



“The level of expertise and professionalism displayed by all those involved is recognized and appreciated”











Customer

“I was especially impressed by the cable touch down monitoring system”

Customer

NKT delivers highest quality and reliable timely project execution

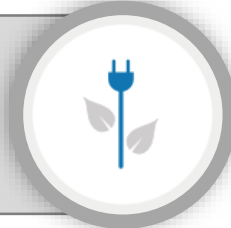


		Highlights	Capacity	Milestone/Significance
Offshore wind (AC) – XLPE	Gemini Wind Farm 	<ul style="list-style-type: none"> • ~210km of 220kV HVAC export cable system • 30km of 220kV onshore HVAC cable system 		<ul style="list-style-type: none"> • New technical solutions developed • Highly collaborative process • Tailored, cost-efficient turnkey solution comprising export and onshore cable systems
	Hornsea 1 Wind Farm 	<ul style="list-style-type: none"> • 465km of 220kV HVAC export cable system 		<ul style="list-style-type: none"> • World's largest windfarm • First gigawatt-scale offshore wind farm • 3rd consecutive project awarded to NKT
Oil & gas (AC)	Gjøa Oil & Gas 	<ul style="list-style-type: none"> • 98km of 115kV HVAC power from shore cable 		<ul style="list-style-type: none"> • First floating platform powered from onshore • First dynamic HV cable section for connection to floating platform • Cost-effective, high-efficiency, zero-emissions solution
Interconnector offshore (DC)	HVDC Link between Caithness and Moray 	<ul style="list-style-type: none"> • 126km of 320 kV HVDC XLPE offshore cable • 96 km of 320 kV HVDC of underground cable 		<ul style="list-style-type: none"> • World's most powerful VSC¹ HVDC cable • High HSE requirements met with world's most advanced cable laying vessel (NKT Victoria)
	HVDC link between Isle of Grain and Maasvlakte 	<ul style="list-style-type: none"> • 494km of 450kV HVDC MI offshore cable • 18km HVDC MI underground cable 		<ul style="list-style-type: none"> • Executed under complex installation conditions • Demonstrated client commitment of NKT

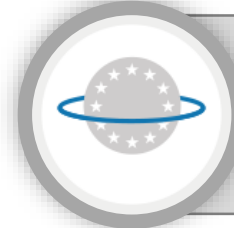
¹ Voltage Source Converter

The transmission market is characterised by strong fundamentals in the mid- to long-term

- Strong legislative support, esp. in Europe (i.e., reducing nuclear and coal power)
- Displacement in electricity production – Renewables often located far away from consumption



Green Energy



European Interconnector

- Political agenda targeting >15% interconnection capacity by 2030
- Trading opportunities, security of supply and grid stability drives expansion

- First windfarms competitive w/o subsidies
- Increasing demand outside Europe
- Windfarms are being built further away from shore



Offshore wind



International HVDC

- HVDC projects progressing in North America
- Preliminary discussions around Asian Super grid

- Public opinion and legislative support to increase usage of underground cabling, e.g. DE, DK, FR
- Large HVDC connectors in DE to transport renewable power from North to South



Onshore market



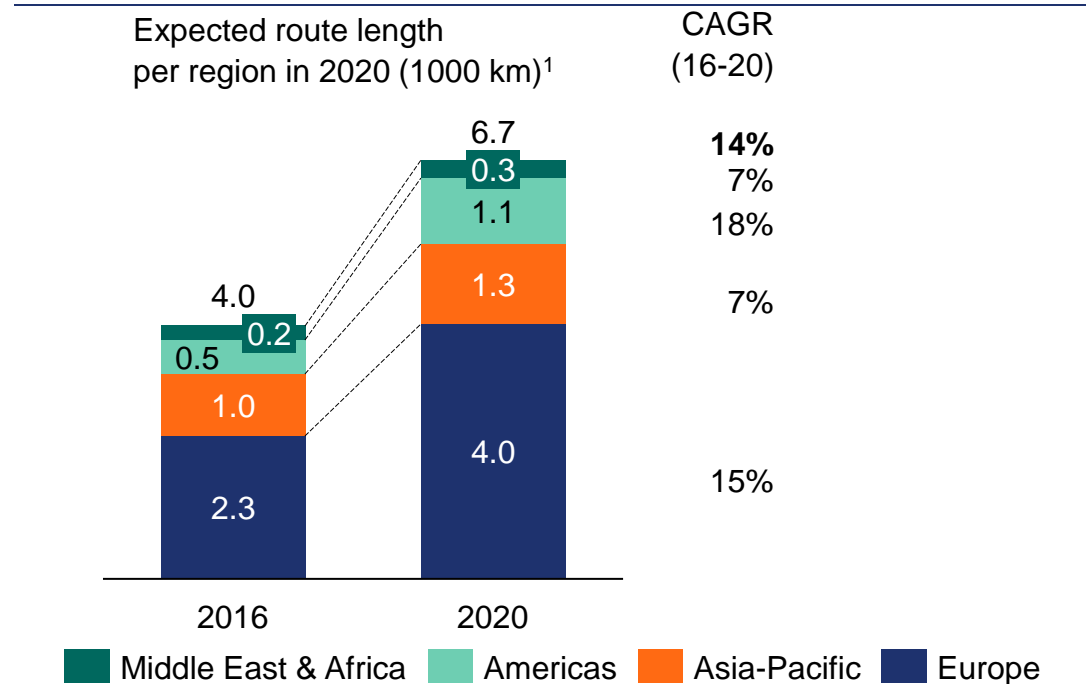
Oil & Gas

- Reduction of operating costs
- Increased focus on CO2 emissions
- Electricity from shore to reduce safety risks

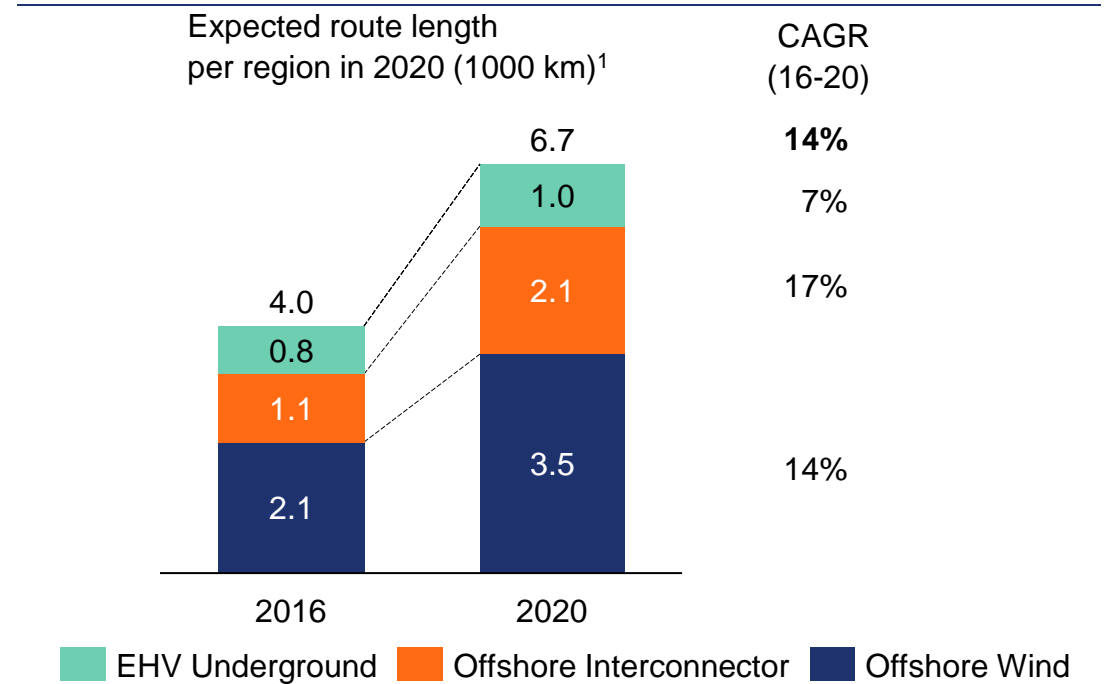
Transmission outlook HV cables: Growing pipeline on impending projects going out to 2020



Expected cable annual lengths to grow across geographies...



...and across product segments

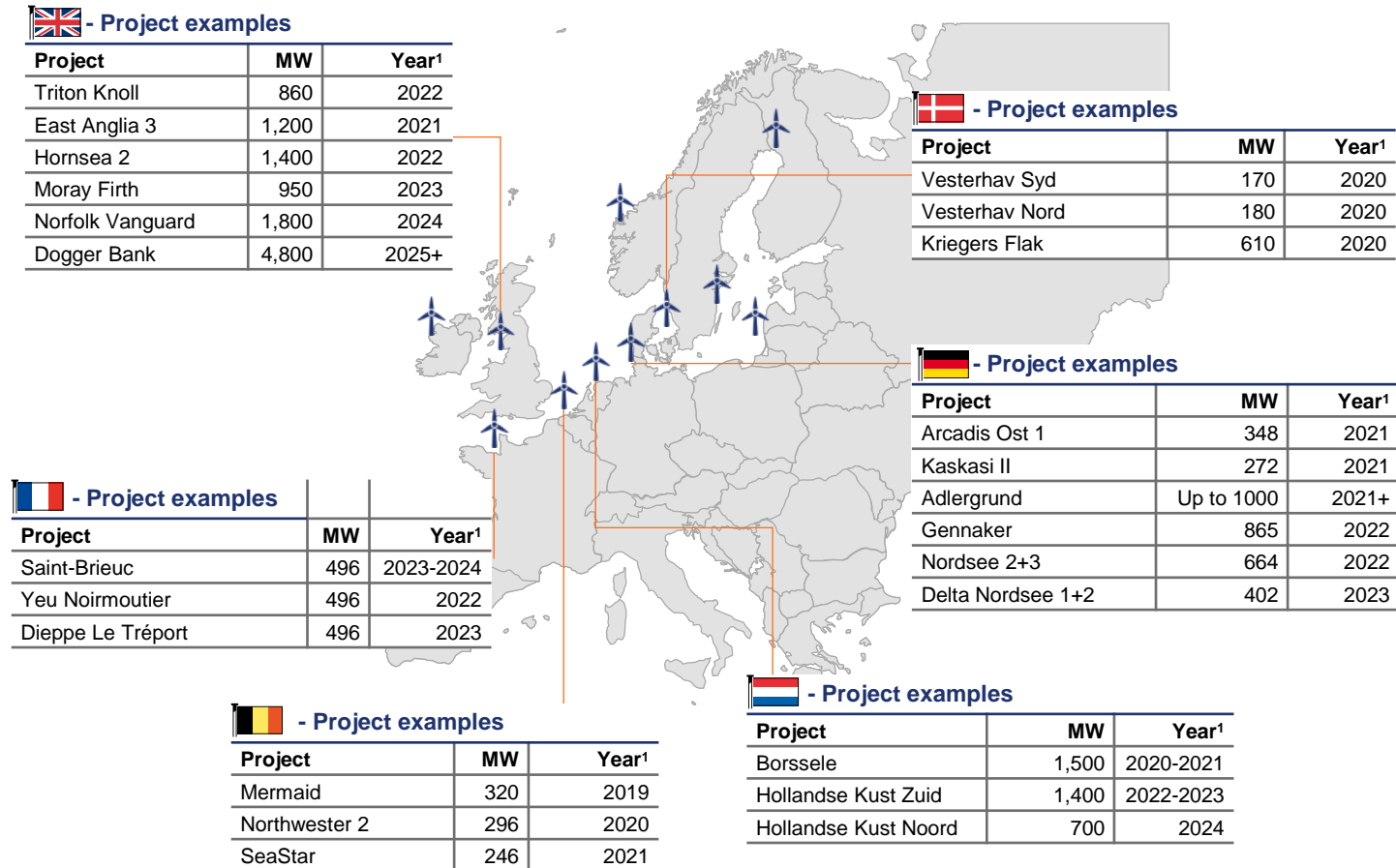


NKT will benefit from the structural drivers underpinning the rising demand for transmission projects

Source: CRU

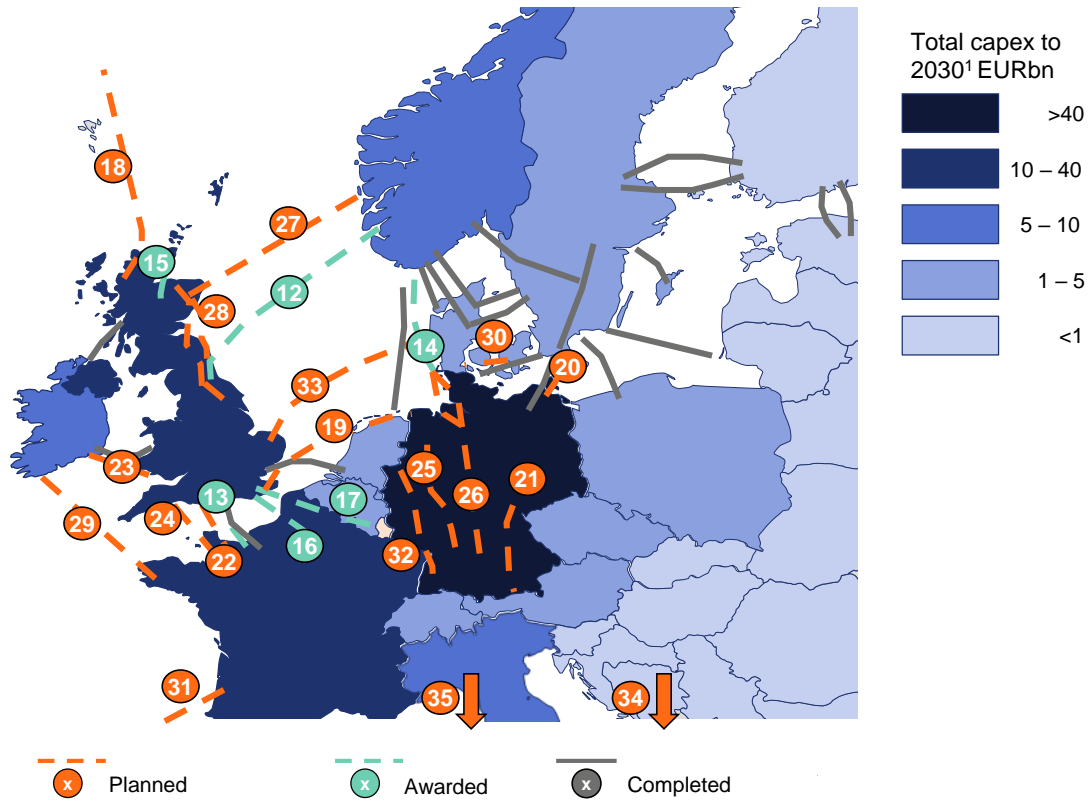
¹ All offshore projects above 60 kV and all underground projects above 230 kV

European offshore wind market: Strong pipeline of projects up to 2025



¹ Commissioning year
Source: 4C Offshore wind farms database, January 2017

European interconnector market: Major steps for an European Grid planned in the next decade



Sample list of public announced projects and capacities (MW)

1 Est link 1	350	12 NSL	1,400	24 Fab Link	1,400
2 Est link 2	650	13 IFA2	1,000	25 Suedlink A	2,000
3 Norned 1	700	14 NordLink	1,400	26 Suedlink B	2,000
4 Fennoskan 2	800	15 Caithness Moray	1,200	27 North Connect	1,400
5 Store Baelt	600	16 ElecLink	1,000	28 Eastern Link	2,000
6 Nordbalt	700	17 Nemo Link	1,000	29 Celtic	700
7 East West Interconnect	500	18 Atlantic Superconnect	1,000	30 Great Belt 2	600
8 South West Link	1320	19 NeuConnect	1,400	31 Biscay Gulf	2,000
9 Skagerrak 4	1,640	20 Hansa Power Bridge	700	32 Ultramet Nord	2,000
10 BritNed	1,000	21 Südostlink	2,000	33 Viking	1,400
11 InEffe	2,000	22 Aquind	2,000	34 EuroAsia	2,000
		23 Greenlink	500	35 SACOI 3	300

Plenty of large interconnector projects in next decade.
 NKT is one step ahead in fulfilling the transmission market trend of higher voltages.

HVDC grid Germany: Three projects to be tendered in 2018/2019 with large volumes until 2025



Project characteristics

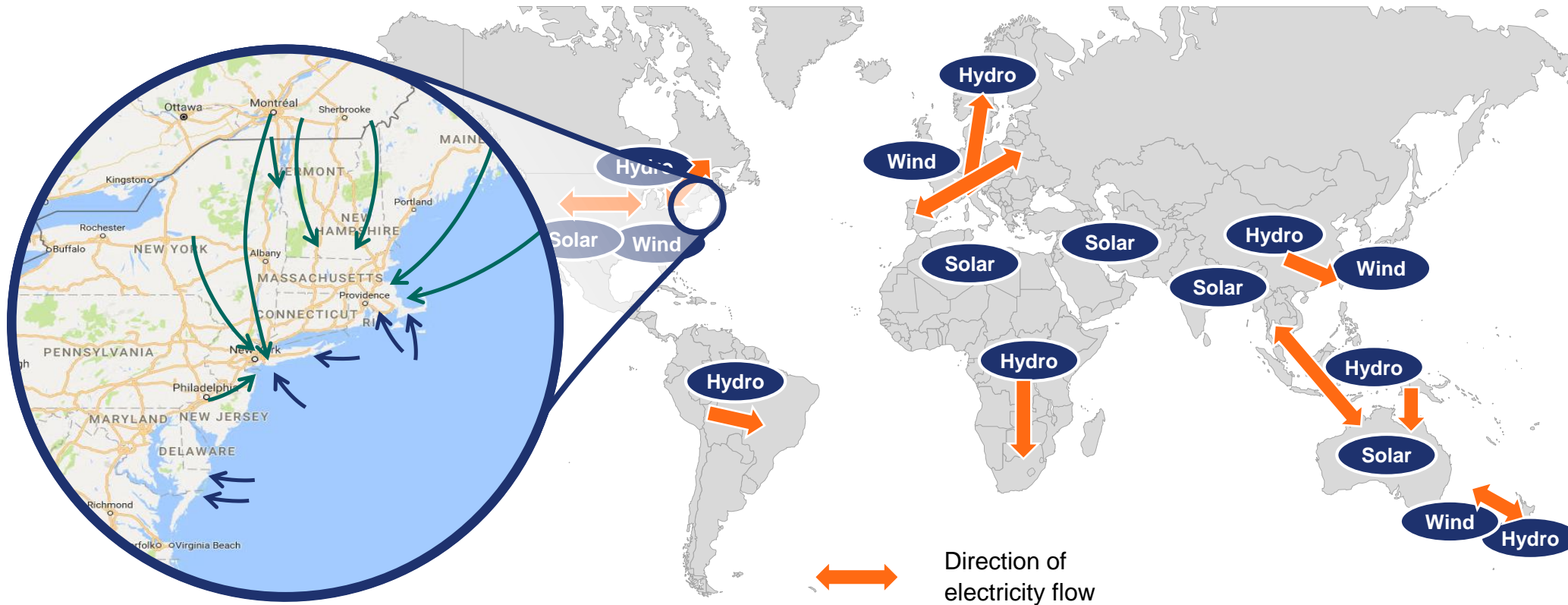
- Major investments to enhance Germany's HVDC grid will be conducted in the next years
- 3 projects specifically designed to connect wind power production in the North with industrial consumption centres in the South and Southwest
- More than 2,000 km of HVDC cable system length to be installed
- High technical requirements with HVDC cable systems up to 525kV expected

NKT competitive advantages

- NKT with long history of successful executed HVDC projects
- NKT is leading German cable manufacturer with strong relationship to its German customers
- NKT is technology leader in HVDC cable systems with world's first 640 kV HVDC underground cable system

Significant upside driven by increasing need for energy transmission also outside of Europe

Global trend of energy transmission leads to various interconnector projects e.g. in North America



- Selected AC projects
- Selected DC projects

Several projects represented in the order backlog



Year	Project name	Type
2019	Kriegers Flak	Offshore wind



Year	Project name	Type
2017	Race Bank	Offshore wind
	Galloper	Offshore wind
	Walney East & West	Offshore wind
2018	Hornsea One	Offshore wind
	Caithness Moray	Interconnector



Year	Project name	Type
2018	Rentel	Offshore wind



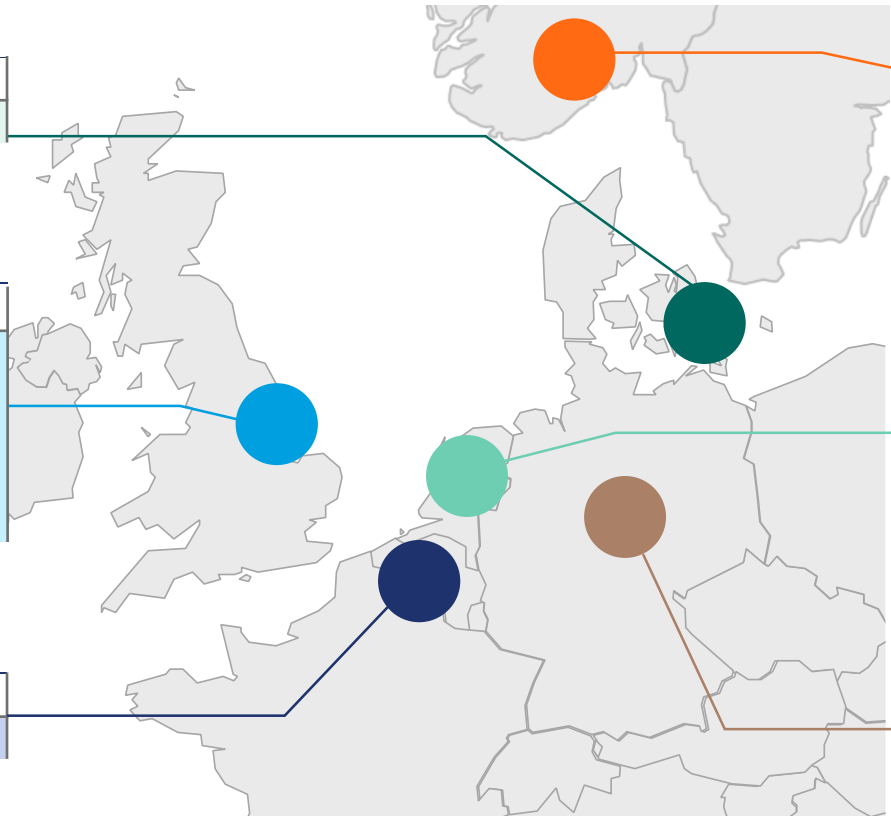
Year	Project name	Type
2018	Martin Linge	Oil & Gas
	Johan Sverdrup	Oil & Gas



Year	Project name	Type
2018	Borssele Alpha	Offshore wind



Year	Project name	Type
2018	Nordergrunde	Offshore wind
2019	Nordlink	Interconnector



End-June 2017 total order backlog was EUR 1.03bn¹

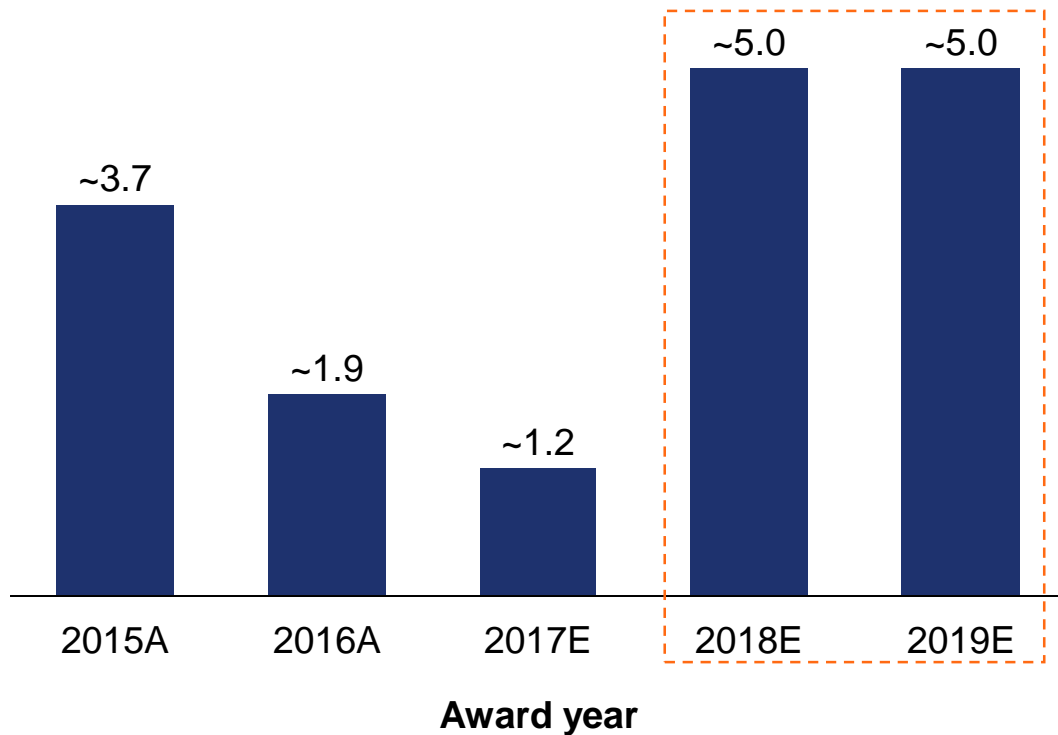
The high-voltage project market is currently showing high activity providing an exciting project pipeline

¹ Order backlog also included HVAC onshore projects

Attractive order pipeline expected in 2018 and 2019 in global high-voltage market



Expected annual HV market order intake (EURbn)¹



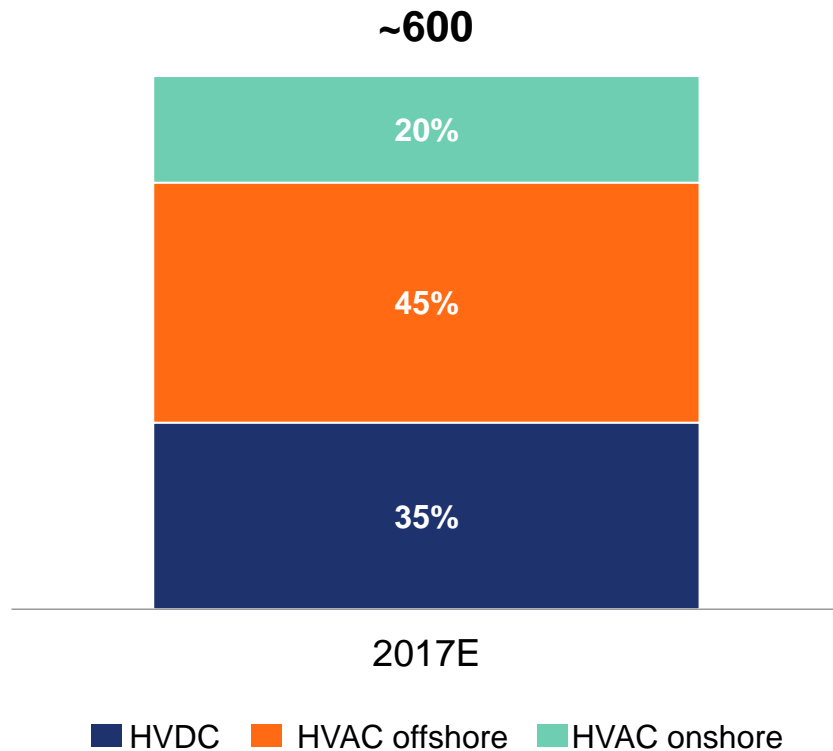
NKT positioned to capture market opportunity

- Tender activity in the high-voltage market is currently intense and expected to lead to significant increase in orders awarded in 2018 and 2019
- Market growth is expected to be driven by both Interconnector and Wind orders
- NKT is well positioned to take a share of future orders
 - ✓ Technology leader in high-voltage AC and DC segments
 - ✓ Strong customer relationships founded on reliable project execution
 - ✓ Best-in-class production facilities and new cable-laying vessel

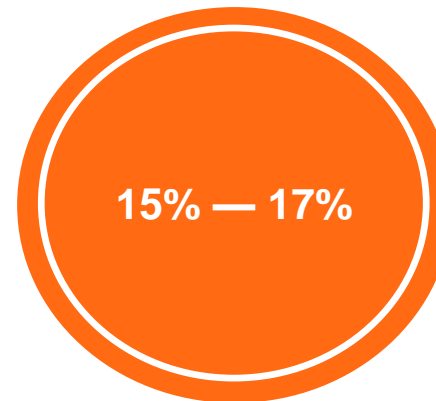
¹ Management estimate on actual and expected order intake in the high-voltage market excluding HV onshore orders with order value of less than EUR 5m

Solutions – financial highlights

Revenue 2017E¹, EURm



Op. EBITDA margin 2017E²



Commentary

- 2017 organic growth primarily driven by the acquired ABB HV Cables business and remaining high-voltage offshore business
- ABB HV Cables consolidated for 10 months in 2017
- Integration progressing according to plan
- AC onshore remains challenging. NKT continues to execute on improvement initiatives
- Order backlog of EUR 1.03bn as of June 30, 2017

Note: Management estimate, based on revenue at std. metal prices

¹ External revenue

² Based on std. metal prices

Solutions is well positioned to benefit from the strong fundamental growth



World leading supplier of premium off- and onshore cable systems with technology leadership and strong project execution

Best-in-class production facilities in Cologne and Karlskrona with recently upgraded equipment

NKT Victoria is the most sophisticated cable laying vessel in the world and ensures efficient, fast and high quality project execution

Active tendering and geographic expansion driven by strong pipeline of high-voltage projects

Agenda

1. Introduction to NKT A/S
- 2. NKT**
 - 2.1. Introduction to NKT
 - 2.2. Solutions
 - 2.3. Applications**
 - 2.4. Service & Accessories
 - 2.5. Excellence 2020 strategy
 - 2.6. NKT financial performance
3. NKT Photonics
 - 3.1. Introduction to NKT Photonics
 - 3.2. Investment highlights
 - 3.3. NKT Photonics financial performance
4. NKT A/S financial performance
5. Conclusion and Q&A

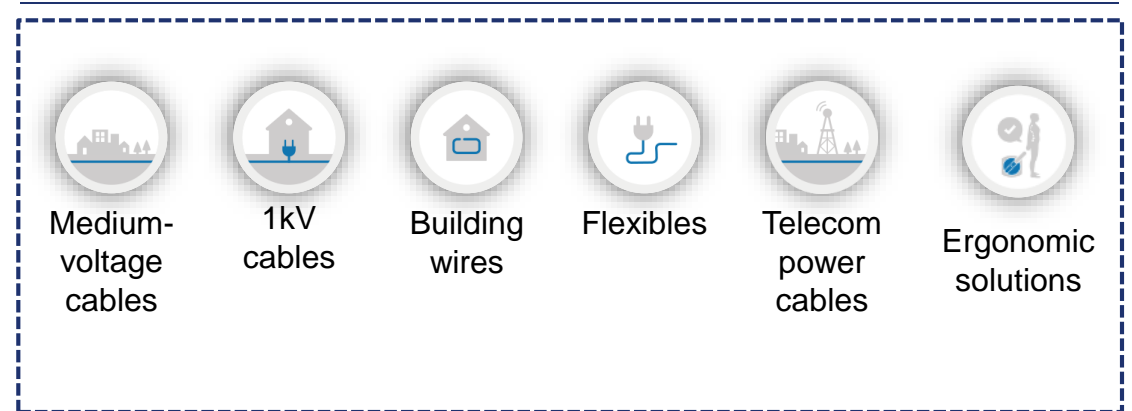
Applications: A leading European player in the low- and medium-voltage segments with focus on profitable growth



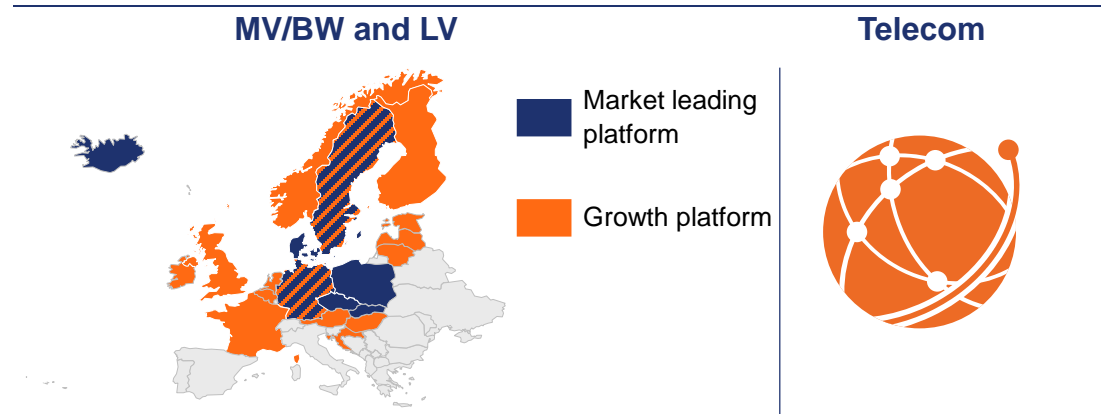
Capabilities

- Premium MV cables from 6kV to 50kV single or multi core
- Comprehensive range of 1kV cables
- High-quality, environmentally-friendly building wires – meeting regulatory requirements for Flame-Retardant material
- Innovative Telecom power cables serving customers globally
- Enhanced delivery levels, smart packaging & ergonomic solutions
- Long-term customer relationships due to technical and service reliability

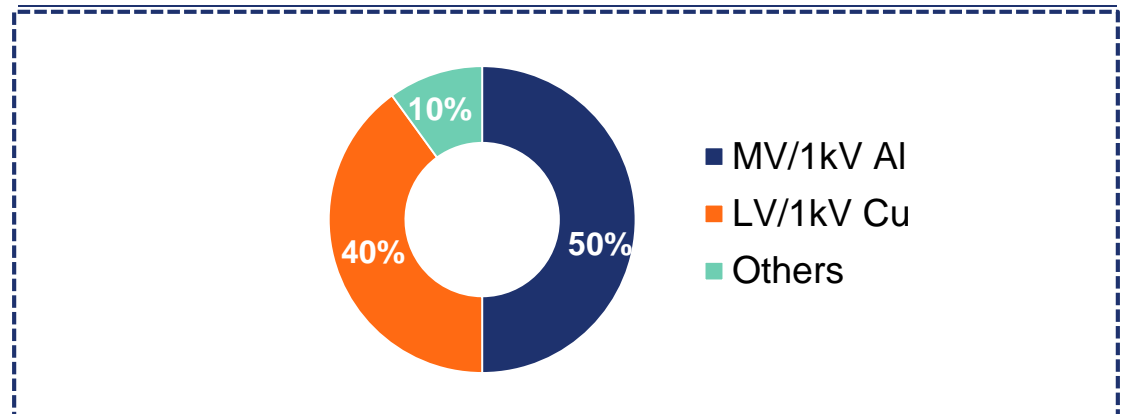
Product segments



Strong European footprint & global Telecom activities





Revenue breakdown





Applications cables are applied across electric grid




Medium-voltage & 1 kV aluminium cables

- 
1kV Electricity distribution cable
 (1-72 kV) Connecting the utility network
- 
MV Universal cable system
 (up to 36kV) For aerial and ground installations

Building wires & 1 kV copper cables

- 
1kV Electricity distribution cable
 Connecting residential buildings to the grid/street lighting
- 
Halogen free/PVC cables
 (up to 1kV) For installations in residential buildings

Telecom power cables

- 
Telecom power cables
 (up to 0.6kV) Powering front-end radios in the mobile base stations

Sample market segments

Utilities,
Renewables

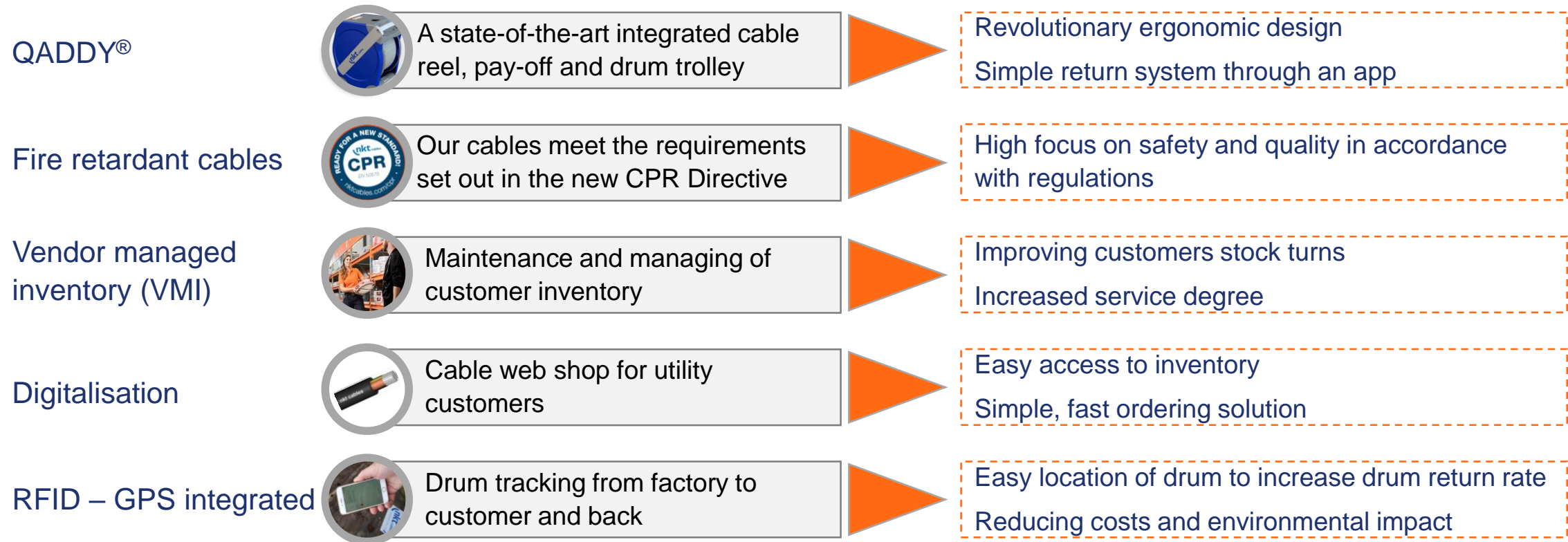
Installers,
Industry,
Construction

Tele-
communication

The Applications business is driven by innovations

NKT is continuously pushing innovation...

... to satisfy customer needs

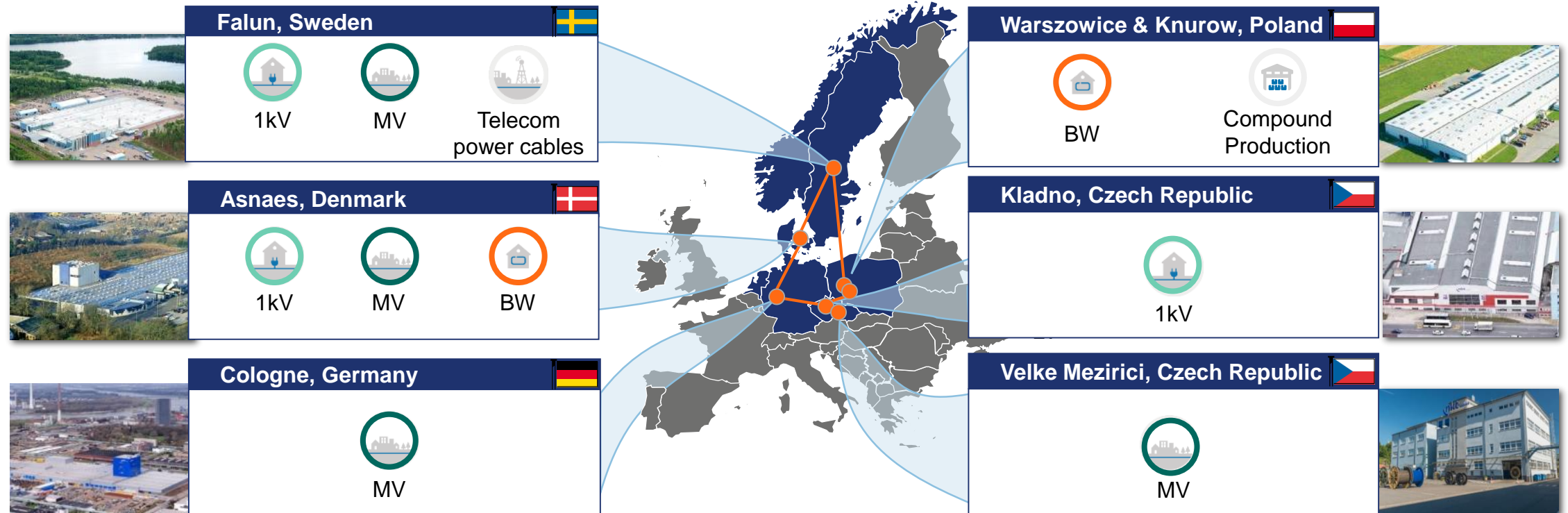


Innovations creating more cost efficient solutions to the benefit of the customers of NKT

Plant capabilities allows network optimisation – flexible production to increase utilisation and profitability



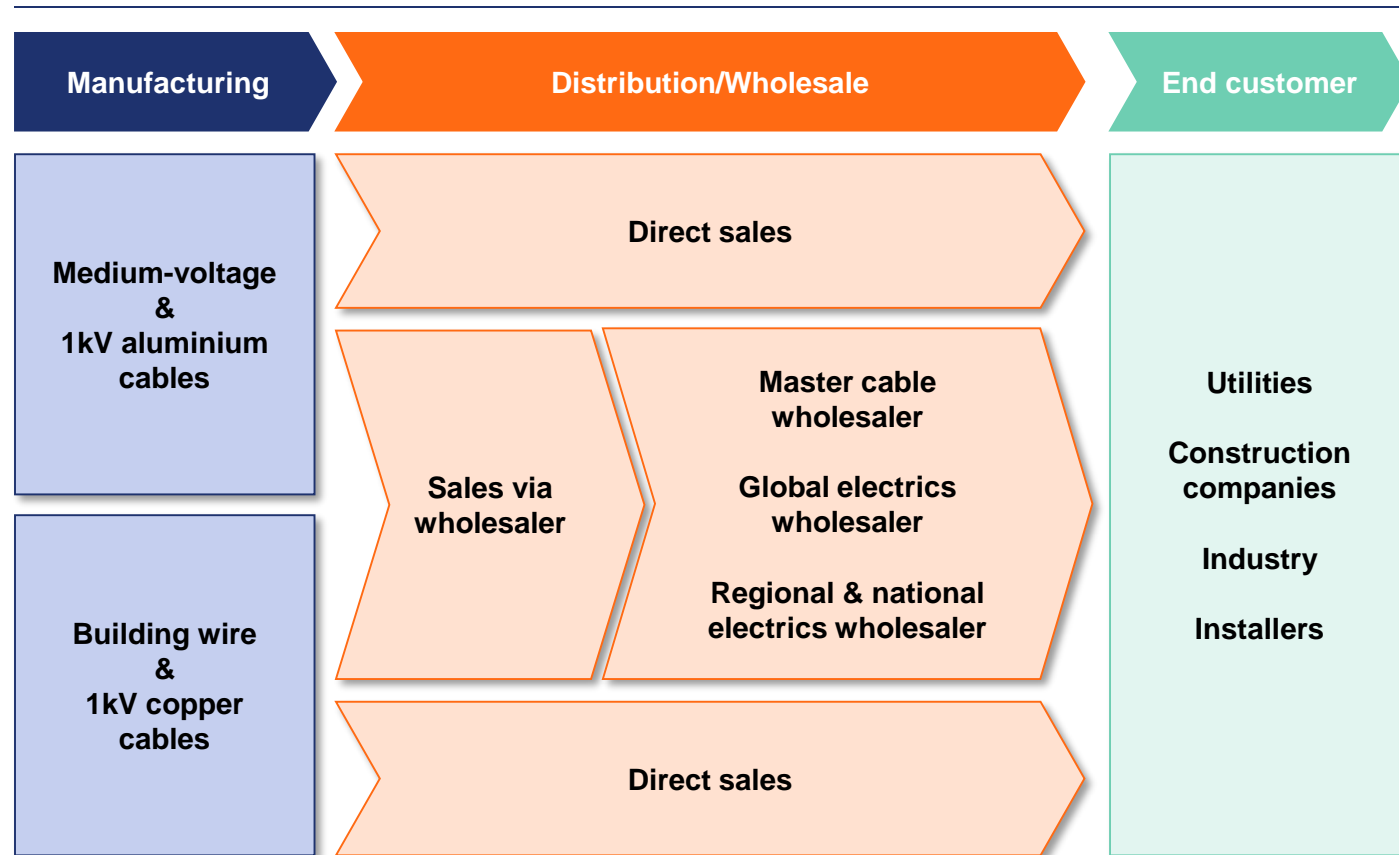
Solid presence in Northern Europe



Strengthening best practice sharing and network production organisation enhancing efficiency and margins

Multichannel approach and strong relationship with customers adds resiliency to the cash generation profile

NKT multichannel distribution approach

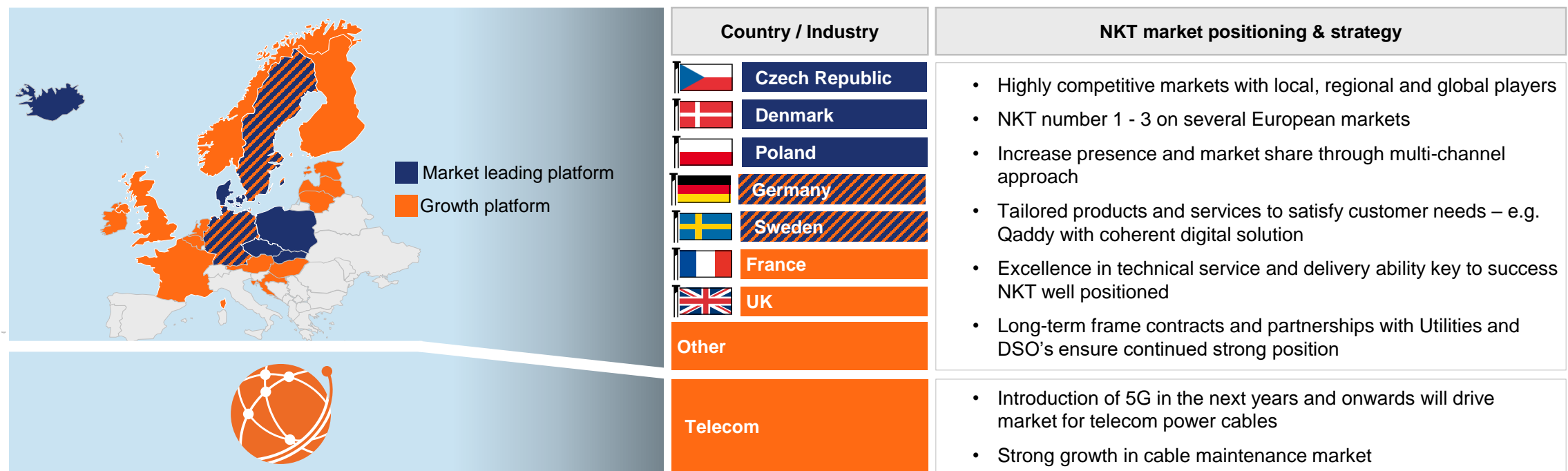


Key takeaways

- Customer approach ranging from a multi-channel offering to tailored solutions
- Focus on partnerships, technical service and fast delivery times
- Innovative solutions to satisfy customers' needs – Apps, webshop, VMI and Qaddy
- Agile and flexible production organisation ensure cost efficient supply
- Regional know how guaranteed by local facilities and sales teams
- Strong relationships with leading utilities
- Wholesaler distribution creates opportunity of one stop shopping and enables larger market coverage

Market leading position in selected European markets

Key markets for Applications



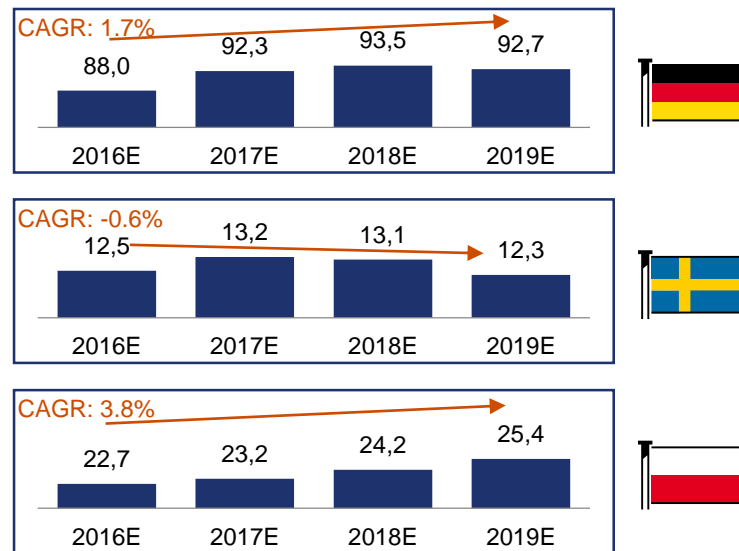
Long-standing relationships with key customers



Market fundamentals favouring outlook in Applications segment

Growth in European construction markets ...

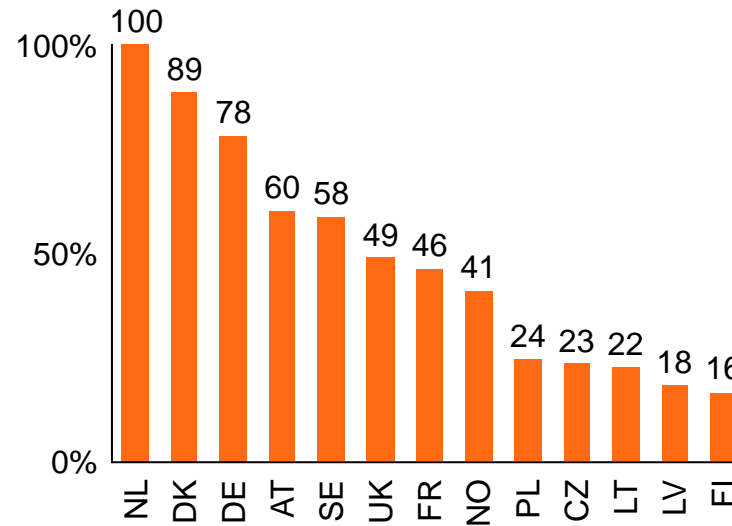
New residential and non-residential construction (EURbn) for selected markets



=> Further strong construction growth in Europe estimated, especially in NKT core markets

... and trend to use underground cables ...

Share of underground MV cables in % of total MV circuit length 2014



=> Major investments in MV grid expected driven by increasing electricity infrastructure demand and EU funding to modernize grid

... supported by several strong fundamentals

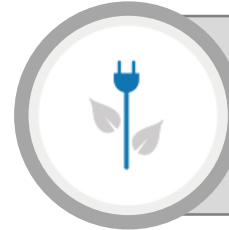
- Significant investments in both residential and non-residential construction ensures stable and increasing demand for cables
- Investments in wind power of ~15GW p.a. until 2025
- Solar power installation of 2-5 GW p.a. until 2025
- Trend to use underground cables supported by government initiatives (e.g. Nordics, DE, ...)

Market trends supporting future growth in Applications business

- Replacement of existing installations
- Investments in new production sites
- Especially in countries with significant amount of industry (e.g. FR, FIN, DE, SE)



Industry



Green energy

- Strong legislative support throughout Europe (20-20-20 target)
- Renewable energy to be connected to the grid

- Evolving trend driving electrification of cities
- Rapid electricity demand expansion in developing countries



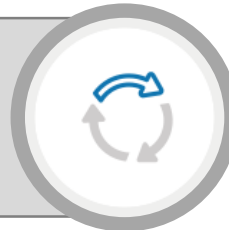
Urbanisation & Globalisation



Construction Industry

- Solid market conditions in Europe (e.g. SE and DE)
- Enforcement of CPR across Europe

- Utilities need to replace aging and worn-down grid in existing locations
- Shift in sentiment towards underground distribution solutions across Europe



Replacement

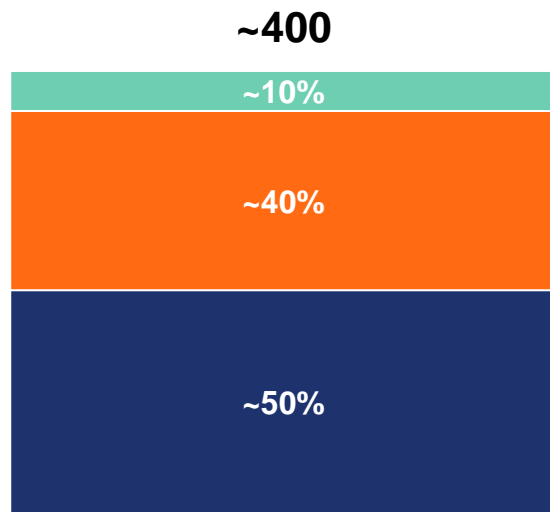


Broadband Expansion

- Demand for masts and associated power cables
- Increasing demand for mobile internet of private users & firms
- Introduction of 5G protocol

Applications – financial highlights

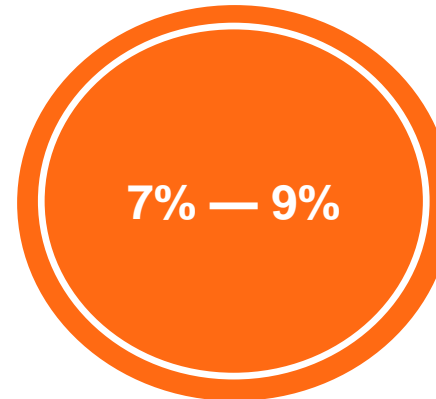
Revenue 2017E¹, EURm



2017E

■ MV/1kV Al ■ LV/1kV Cu ■ Others

Op. EBITDA margin 2017E²



Commentary

- Established regional positions
- Positive development in DACH, Nordic region and the UK
- Efficient manufacturing set-up provides stable performance and attractive RoCE
- Focus on profitable growth through-out Europe, and for Telecom Power cables, globally

Note: Management estimate, based on revenue at std. metal prices

¹ External revenue

² Based on std. metal prices

Applications strongly positioned in predictable, growing markets founded on long-term customer relationships



Leading European player in the LV/MV segment and the global telecom power cables segment

Multichannel approach and strong relationships to customers adds resiliency to the cash generation profile

Long-term customer relationships due to reliable delivery times, high quality products and best in class technical service

Production plant network optimisation – flexible production to increase utilisation and profitability. Cost-out focus through-out the value chain

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Service & Accessories: Separate division created to focus & accelerate growth

Service & Accessories

- **Separate division** created to **focus & accelerate growth** of both business areas and to **reap existing synergies**, e.g. within training and jointing capabilities

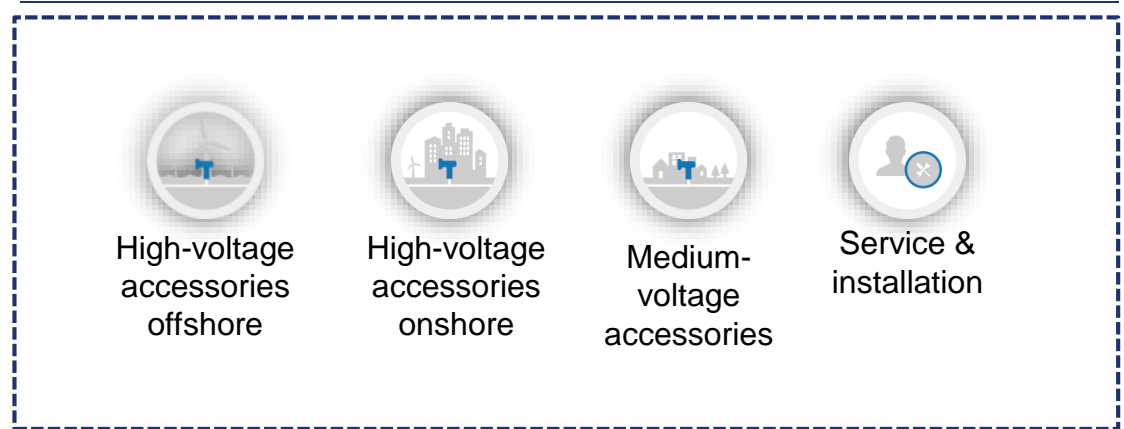
Service

- **Pioneering Asset Management Services in the industry** with a dedicated service & installation team for on- & offshore
- **Strong growth potential** as installed base increasing significantly & majority of cables without service contract

Accessories

- Offering a **full Accessories portfolio** across medium voltage (MV), high voltage (HV) & extra high voltage (EHV)
- Continuous innovations launched to market
- **Strong growth potential** in core markets with new innovative products & expansion to attractive export markets

Product segments



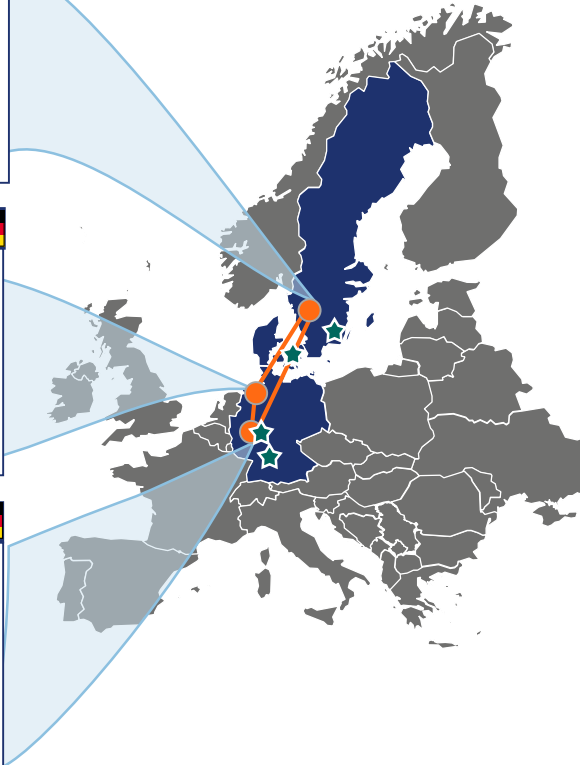
Customers (exemplary)



Service & Accessories setup: Strong Accessories production and Service Hub footprint across Europe

Accessories Centers of Excellence (CoE)

	Alingsås, Sweden  <ul style="list-style-type: none">Strong capabilities within DCMV/HV (AC/DC) accessories (silicone & EPDM¹) 
	Nordenham, Germany  <ul style="list-style-type: none">MV silicone accessories and lower end of HV accessories 
	Cologne, Germany  <ul style="list-style-type: none">Strong capabilities within ACHV silicone accessories 



Service Hubs

Highly dedicated Service & Installation teams in...

Broendby, Denmark 
Cologne, Germany 
Karlskrona, Sweden 
Mannheim, Germany 

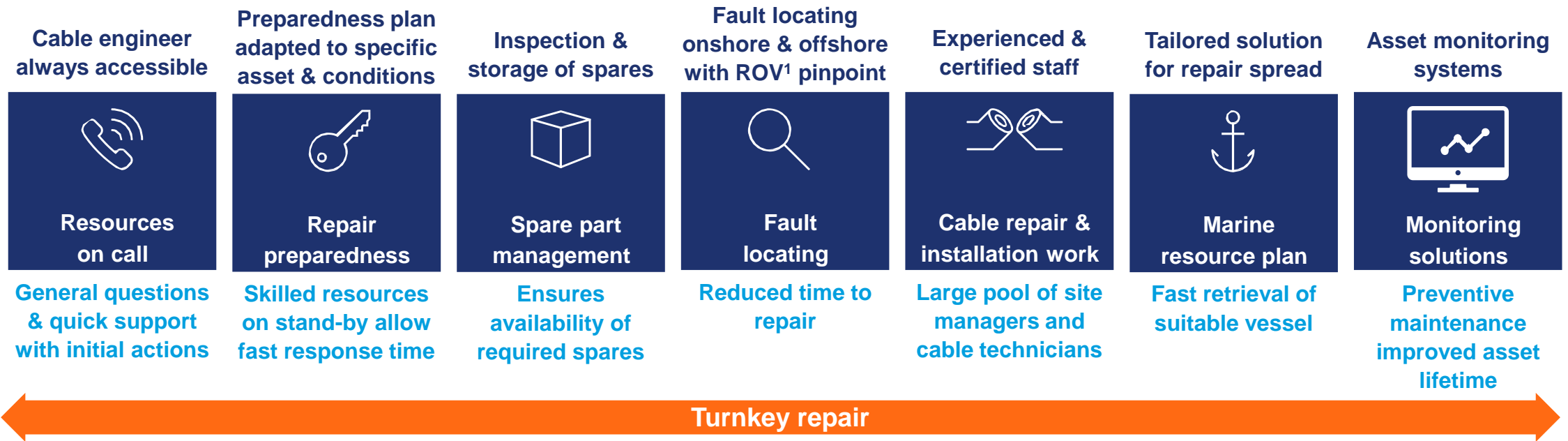


¹ Ethylene Propylene Diene Monomer

What if.....



Asset Management Services: From tailored service packages to turnkey service agreements



From tailored service packages adapted to specific requirements to turnkey service agreement providing all services in the portfolio

¹ Remotely operating vehicle

Asset Management Services: NKT service agreements with clear benefits for customers



Repair success stories (exemplary)

Case 1: Offshore

- **External damage** in HVDC power transmission link (anchor)
- **±270 kV MI offshore cables** installed in 1985 by Nexans

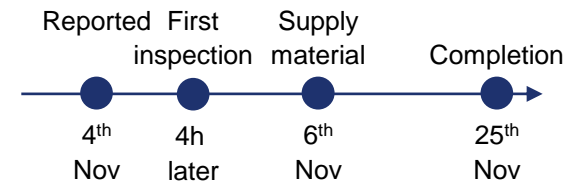


"We thank you all for the efficient and professional way you completed this challenge."

Customer

Case 2: Onshore

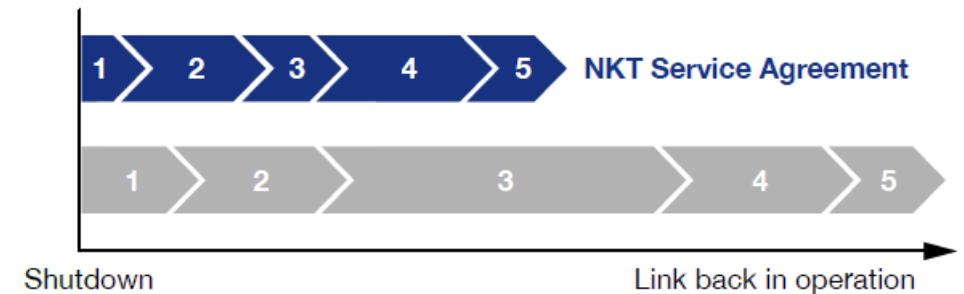
- **Termination failure** of a 110 kV paper isolated cable
- Installation of **transition joint & GIS termination**



"Thanks for your prompt service. You are simply irreplaceable!"

Customer

'Repair Preparedness' service contracts offer significant benefit for our customers



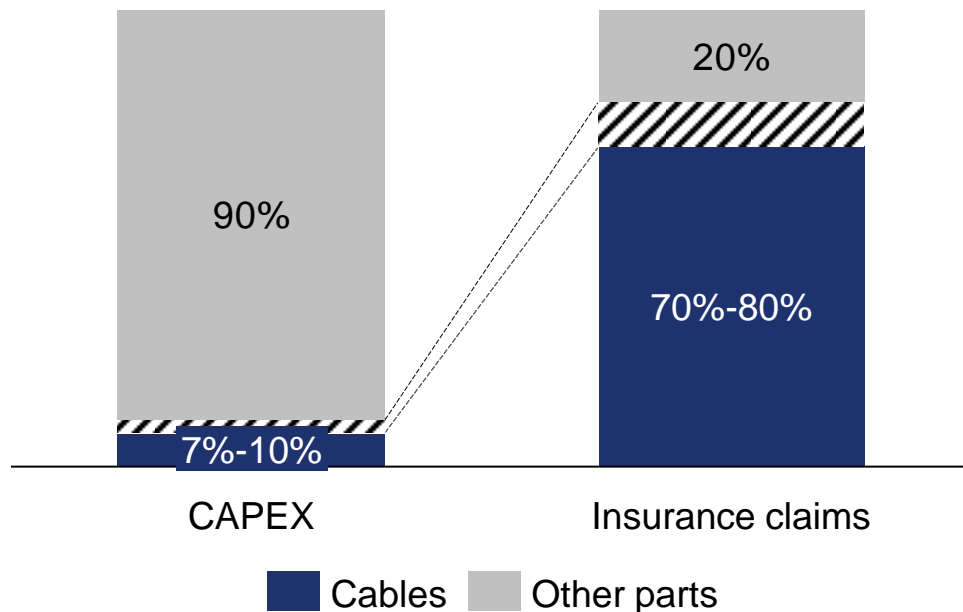
1. Engineering and documentation – where is the cable located and what is its design?
2. Fault location – find the fault
3. Mobilisation – resources, equipment and spare parts
4. Repair and jointing
5. Cable testing and deployment

Only small minority of all installed offshore cables have a service contract running, and almost no onshore cables

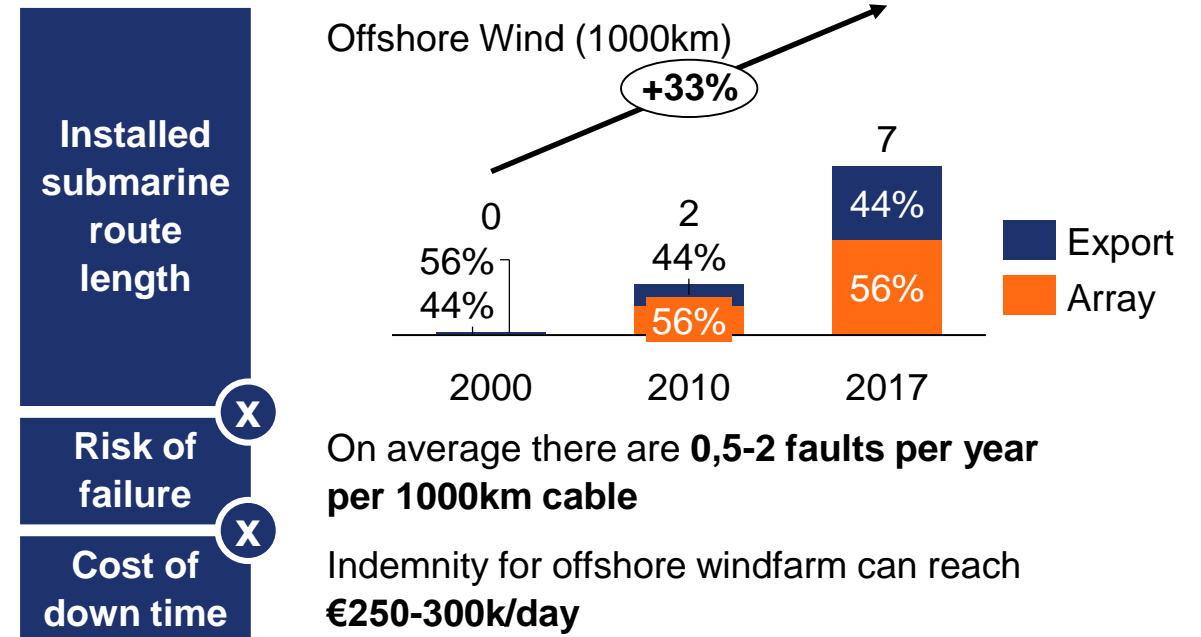
Asset Management Services : High criticality of cable infrastructure leads to increasing demand for services

Cables form small portion of windfarm CAPEX but majority of insurance pay-outs due to lost production

Share of cable cost in offshore wind farms



Installed cable base is growing rapidly leading to a growing demand for services

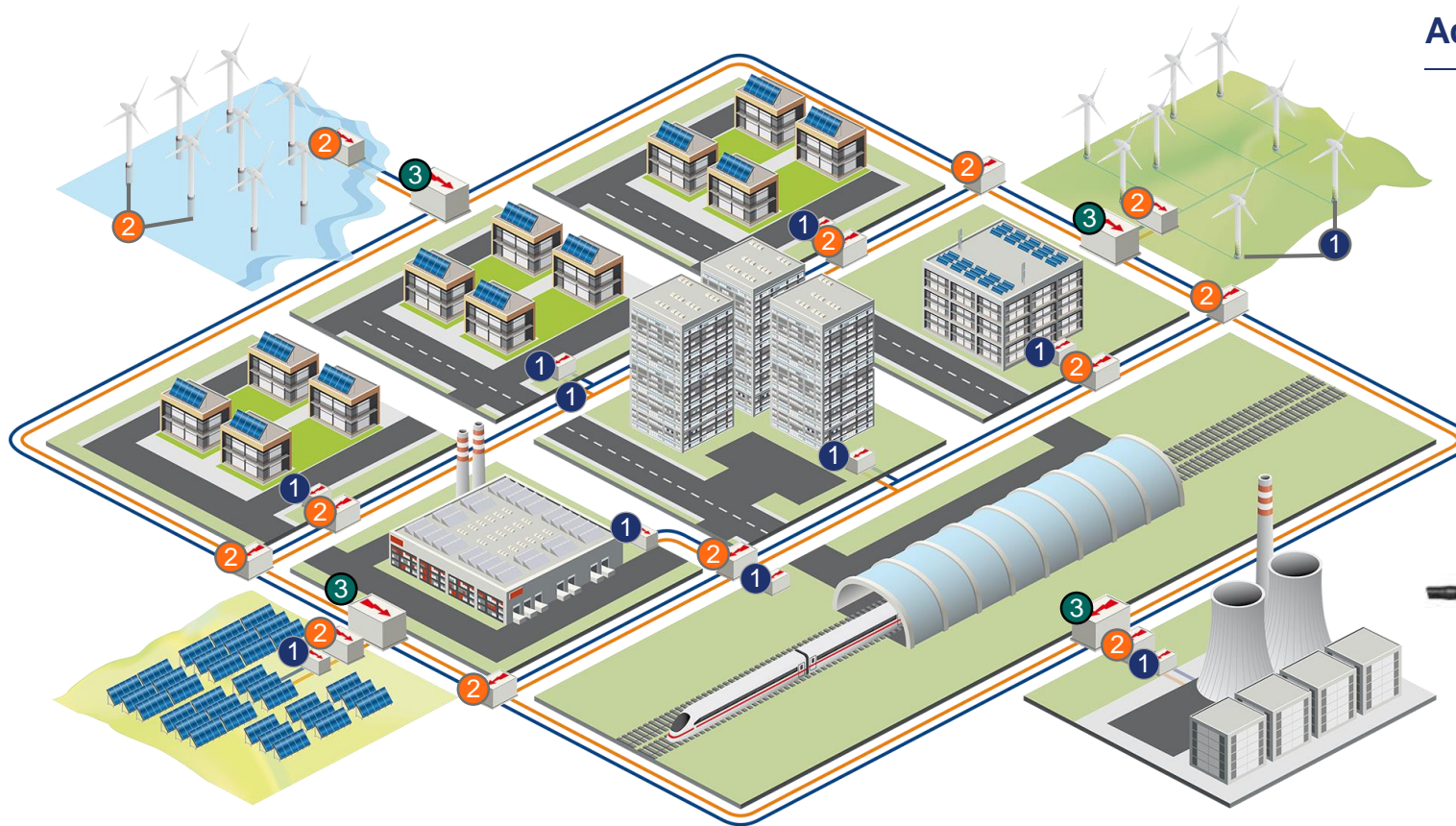


On average there are **0,5-2 faults per year per 1000km cable**

Indemnity for offshore windfarm can reach **€250-300k/day**

“Subsea cables in the global offshore wind industry led to insurance claims totaling more than €60 million in 2015.” - Insurer

Accessories: NKT offers a full range of high-quality products with several innovations launched recently



1 ⚡ Trafo-station MVAC/LVAC 1 – 42 kV

2 ⚡ Substation HVAC/MVAC 52 – 170 kV

3 ⚡ Substation HVAC 245 – 550 kV

Accessories product portfolio



Terminations

Connects cable ends to consumers or overhead lines



Connectors

Connects cable ends to switchgear or transformer



Joints

Connects two cable ends



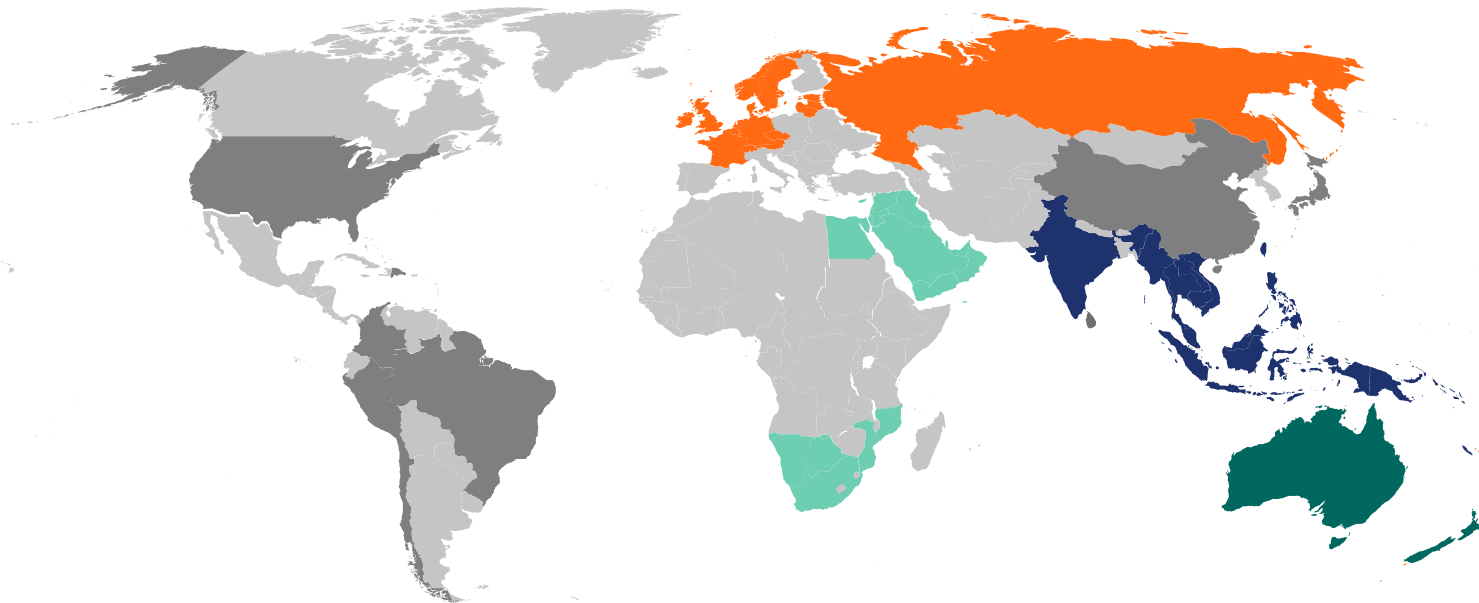
OEM busbar systems

Connects switchgear busbar to busbars

Accessories: Strong position in core markets – high growth NKT potential with new innovations & in global export markets

Focus geographies

Market overview



Further markets NKT are active in

Europe:

- Strong market position in DACH regions, Nordics, BeNeLux and UK
- Focus on market share
- Technically advanced products & further innovations

South-East-Asia & India:

- Outstanding growth is met by increased sales representation and technical partnerships
- Focus on price competitiveness as key success factor
- India is a promising market with significant growth potential

Middle-East and Africa

- South-Africa with strong growth rates to be targeted with qualified technical distributor
- Middle East as strong growth market driven by infrastructural investments and projects

Australia and New Zealand

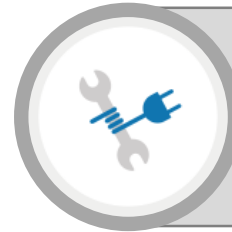
- Attractive market – Covered by local sales team and strong technical distributor

Strong market drivers support the growth of the **Service & Accessories** business

- Installed cable route length of 16.000 km, more than doubled the potential market since 2010



Installed base



Maintenance and repair

- Various offshore windfarms will soon be out of guarantee period and need service contracts
- Majority of offshore cables and almost all onshore cables without service contract

- Preventive maintenance increasingly important and supported by new technologies
- Big data & new digital technologies offer potential for new service solutions



Digitalisation



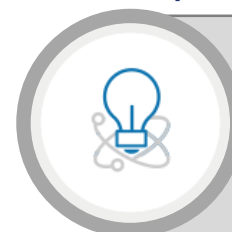
Cable Replacement

- Aging and worn-down grid in existing locations drives replacement
- High experience and knowledge needed to replace old technology cables and accessories, esp. oil and gas cables

- Less experienced non industrial investors need strong external service knowledge
- Trend of customers to outsource service and maintenance



Changing customer behaviour



Grid utilization

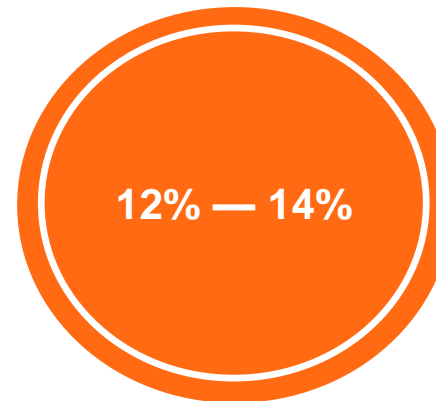
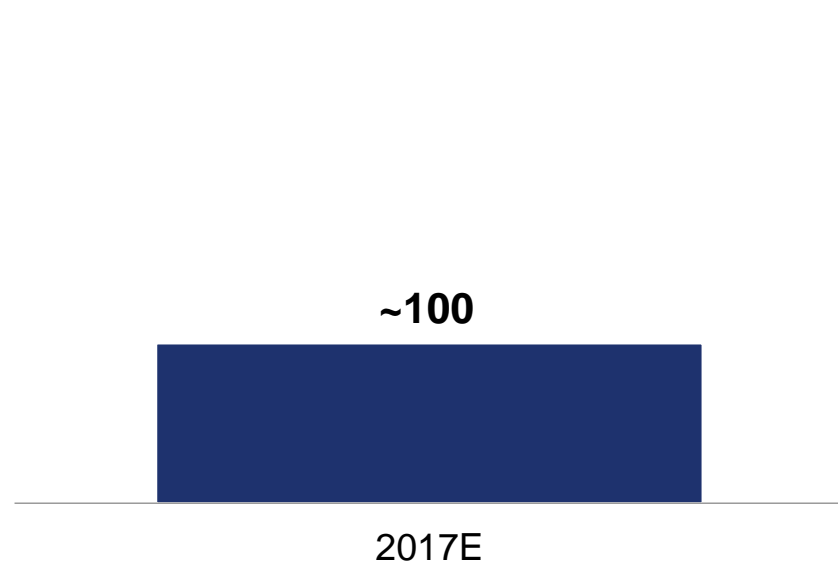
- Higher grid utilization and volatility of grid usage through renewables requires higher quality accessories
- Innovative accessories needed for modern generation cables

Service & Accessories – financial highlights: Attractive margins with clear focus on growth

Revenue 2017E¹, EURm

Op. EBITDA margin 2017E²

Commentary



- Clear growth focus of division
- Opportunity to expand platform using Solutions and Applications businesses but also third parties as additional sales channels
- New innovative products to be launched within both, Service & Accessories
- Expansion into new markets

Note: Management estimate, based on revenue at std. metal prices

¹ External revenue

² Based on std. metal prices

Strong fundamentals lay the ground for growth of **Service & Accessories** business



Growing cable market & high cost of cable failures increase the need for service agreements

Strong & dedicated service know-how base

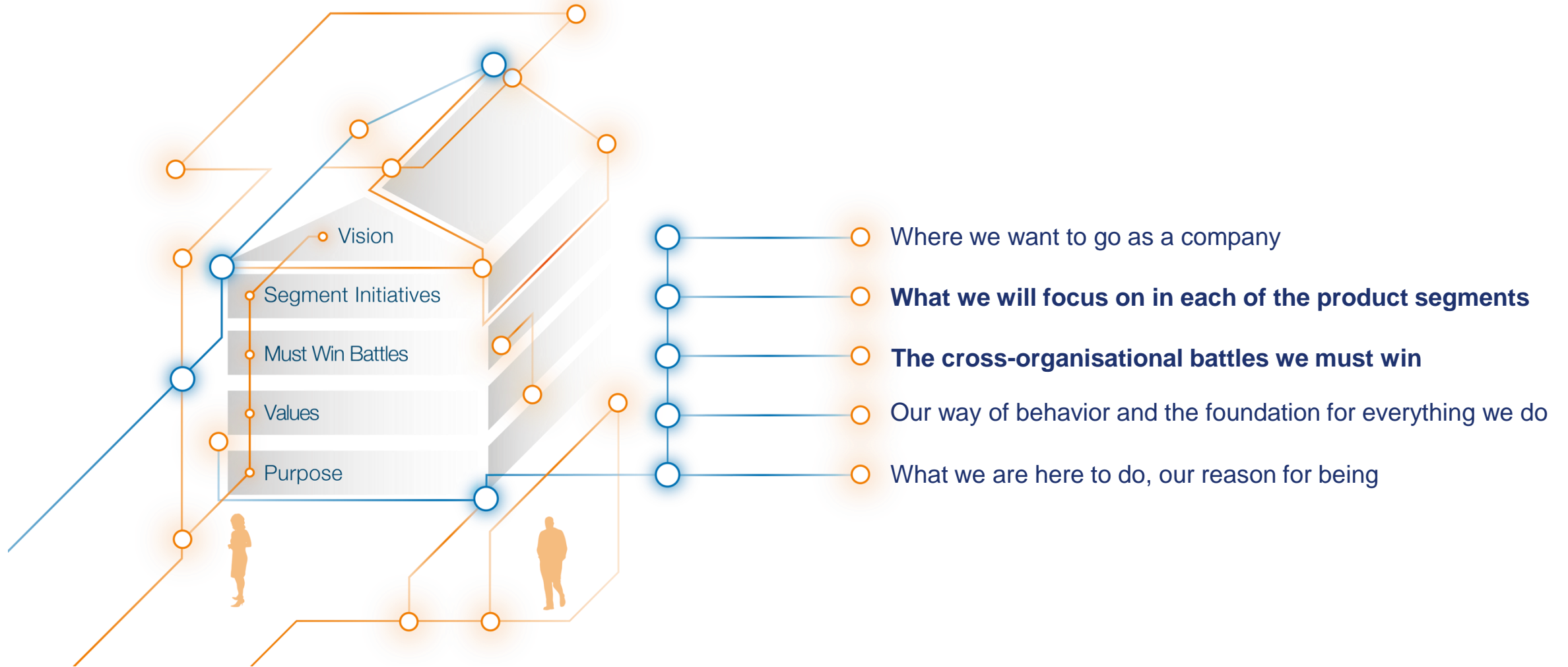
Complete accessories portfolio within medium voltage and high voltage segments

Strong position in core markets – high growth potential with new innovations & in global export markets

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EXCELLENCE 2020: The Power House driving NKT towards excellence



EXCELLENCE 2020: Targeting excellence



Customers' preferred choice



Employee engagement



Return on capital employed

Group Must Win Battles defined to support growth phase



Safe, lean, agile and engaged organisation



**Improvement of business processes
Pricing and management of commercial operations**



Enhance material and product development



Digitalisation of internal processes, customer interface and offering

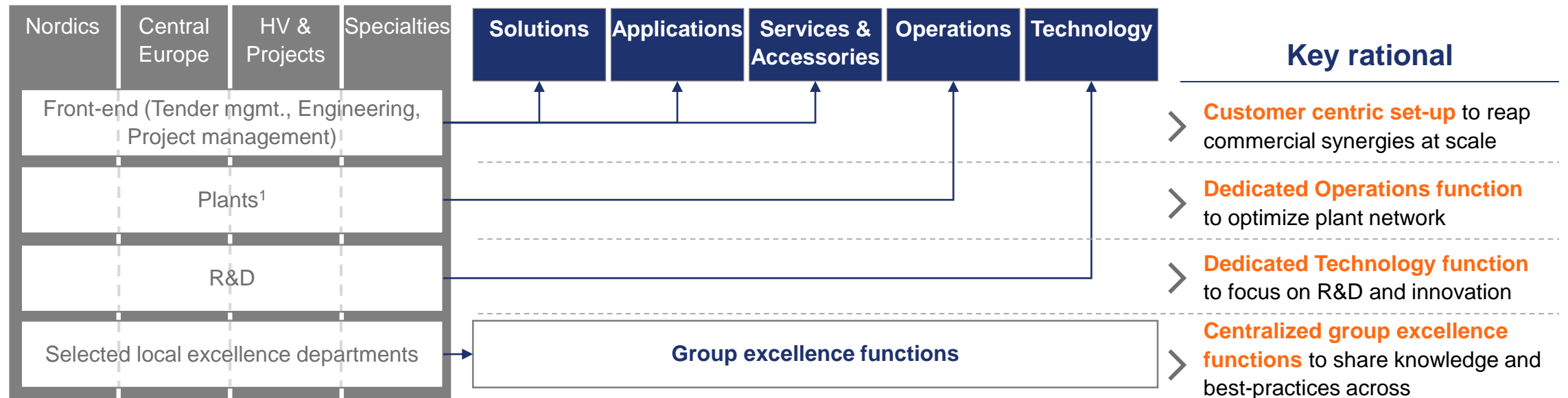


NKT has adopted a **new organisation with fundamental changes** to enable excellence and deliver the strategy



Old organization – regional set-up

Today's organization – enable functional excellence



With our new organizational set-up we drive efficiency and performance across all our functions

1) Exception: Plants for Accessories and Railway below Service & Accessories

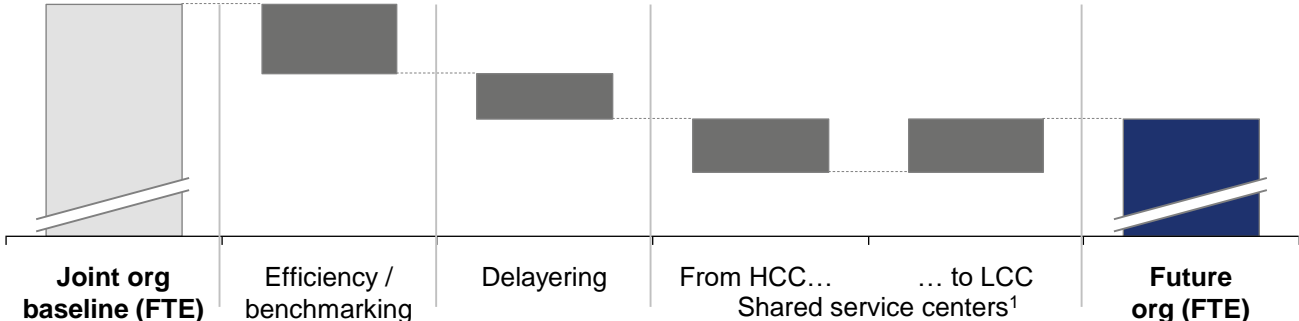


With the **optimized organization** we expect a significant upside value potential by 2020

Organizational value potential

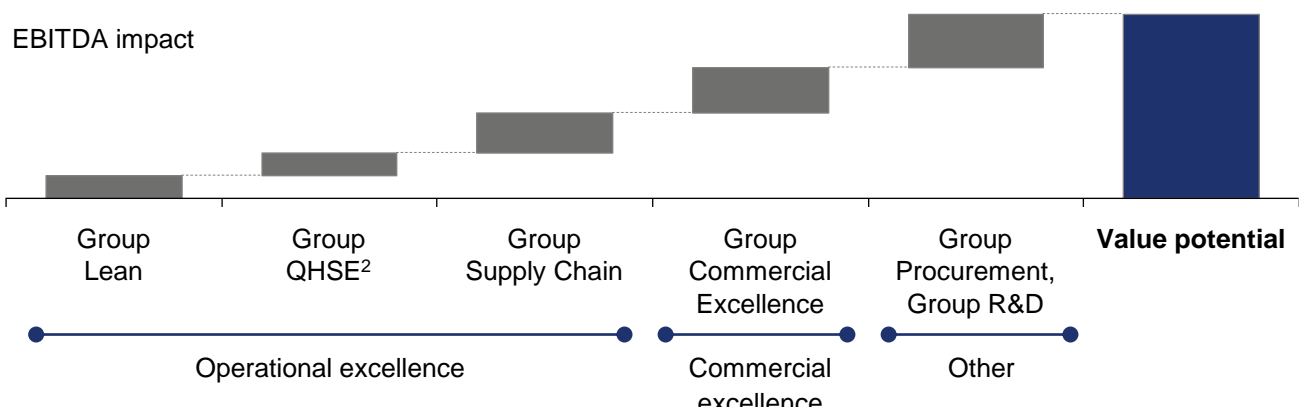
To become more efficient...

1 Organisational efficiency



...we change the way we are organized

2 Functional excellence



...we change the way we work

1. HCC: High cost country; LCC: Low cost country
 2. Quality, Health, Safety, Environment



Operational and commercial excellence functions drive profitability across the group

Operational excellence



Dedicated COO

- Drive continuous efficiency improvement
- Optimise knowledge & best practice sharing



Group Lean

- Drive process optimisation
- Foster lean transformation for production and support functions



Group QHSE

- Drive high quality standards
- Ensure safe working environments



Group Supply Chain

- Optimal network utilisation across plants
- Develop standardised processes for optimal load balancing

> **Group operational excellence functions:** Establish best practices sharing and foster knowledge exchange

Commercial excellence



Strengthen customer focus and centricity

- Define customer groups with highest business potential
- Identify purchase and usage drivers in each segment
- Deliver tailored solutions to better serve our customer groups



Create transparency on customer and product profitability

- Focus on most profitable and potential offering
- Developing the offering to customer needs



Drive pricing excellence

- Discipline through our pricing toolbox and methodology

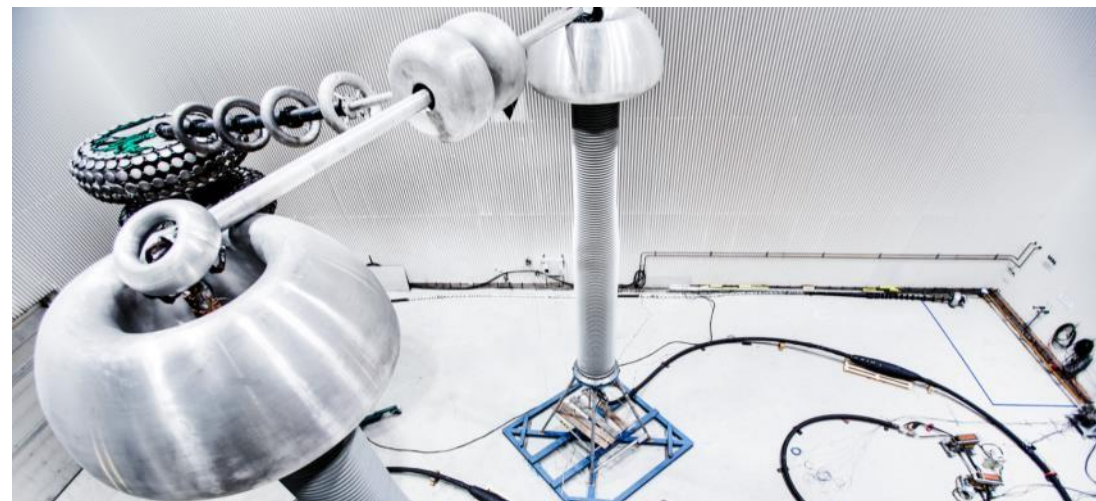
> **Group Commercial Excellence:** Dedicated function to drive benefits across all divisions



Centralised R&D function established to drive innovation leadership

- Technical organisation with **centralised R&D department**
 - Equipment and labs within NKT group to **support innovation in all core NKT business lines**
 - **Most modern testing facilities** across five locations in Germany and Sweden allows optimal capacity balance

- **Close cooperation between R&D and Sales/Product Management** focused on
 - **Value creating innovations**
 - Addressing **customer needs**



1954

World's first HVDC MI interconnector cable



1986

World's first 145 kV XLPE cross-linked cables



2014

World's first 525 kV XLPE DC cable



2017

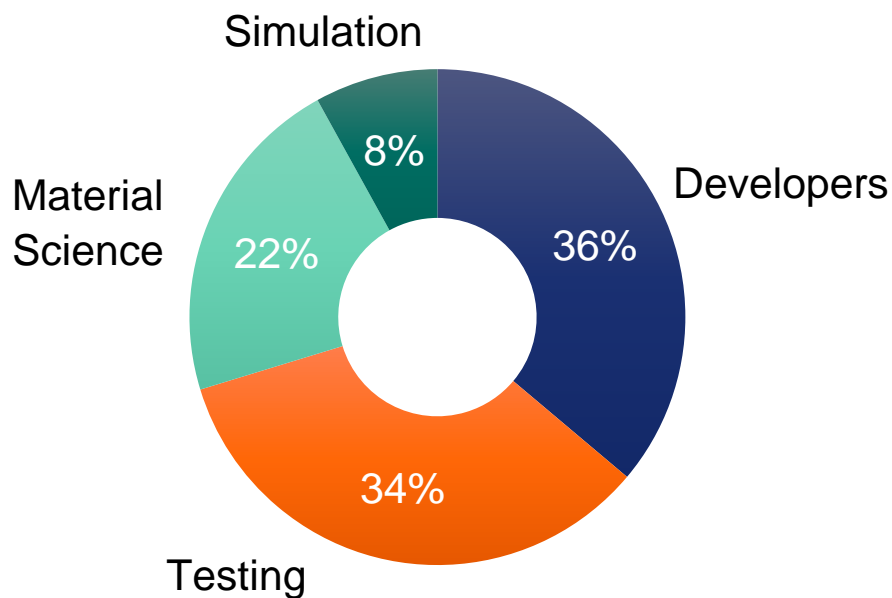
World's first 640 kV XLPE DC cable

Innovation is key for NKT – Dedication in R&D enables technical leadership in cable systems







Centralised R&D function: dedicated resources allocated to ensure continuous technology innovation

Over 120 R&D Engineers fully dedicated to R&D



Several high-impact R&D initiatives are ongoing

- 
Stay technology leader
 - Ongoing initiatives to develop next level of AC and DC cables
 - E.g.: Different materials and lower losses
- 
Cooperate with customers, suppliers and contractors
 - Tailored R&D cooperation's to meet customer demand
- 
Decrease cost
 - Design to cost approach to reduce weight and cost significantly
- 
Stay ahead of legislative requirements
 - E.g. meet Construction Products Regulation (CPR)

First class R&D division to supply customers with tailored, high quality and cost efficient solutions



IT transformation: Investments and dedicated resources to drive IT internally and externally

Fostering start-up mentality to accelerate development of new business and service models

- Newly created **Digital Hub in Berlin**:
 - Dedicated **budget and resources**
 - **Growing team**, recently hired **Head of Digital Hub**
- **Digital Hub goals** include:
 - Addressing **customer pain-points** using novel solutions
 - Identifying opportunities to **re-shape the cable industry** (e.g. decentralized network, intelligent cable systems)
 - Enabling **digitalized cooperation & strategic partnerships**

External digitalization

Commercial and operational excellence enabled through development of uniform IT platform

- Business optimization through **dedicated IT projects**
 - Development of **uniform IT platform** to improve data transparency and process automation
- **Devoted IT organization** to support business
 - Latest technologies at cost level below industry benchmark
- Continuous **investments in internal IT** systems
 - Driving business efficiency by digitization the way of working

Internal digitalization

Strategic initiatives for each segment

Develop and grow

Attractive markets with growth potential:

- Focus on innovation and differentiation
- Improve offshore services and expertise

Focus on profitable growth

Fragmented commodity markets:

- Focus on costs
- Concentrate on profitable customers and markets
- Service level improvements

Turnaround

Market NKT believes in, but with a need to restructure:

- Improve sales excellence & close product gaps
- Fix operating model & reduce costs

	AC/DC HV offshore
	DC HV onshore
	Accessories
	Service & Installation

	Building wire & Low-voltage
	Medium-voltage

	AC high-voltage onshore
	Railway

Strong focus on core operations has led to divestments of non-core activities

Cabinets (sold in Q3 2016)



- Divestment of all low-voltage cabinets activities to uesa GmbH
- Includes all activities with related to house service boxes and cabinets
- Estimated revenue contribution in 2015 of EUR ~10m

China (sold in Q4 2016)



- Divestment of all Chinese business activities to Srising, owned by CAC, a Chinese private equity fund
- Enterprise Value amounted to EUR 14m

Automotive (sold in Q2 2017)



- Divestment of all automotive cable activities to a subsidiary of the German-based Wilms Group
- Includes automotive cables, flexible and special cables and a plant in Vrchlábí, Czech Republic

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2.4. Service & Accessories

2.5. Excellence 2020 strategy

2.6. NKT financial performance

3. NKT Photonics

3.1. Introduction to NKT Photonics

3.2. NKT Photonics investment highlights

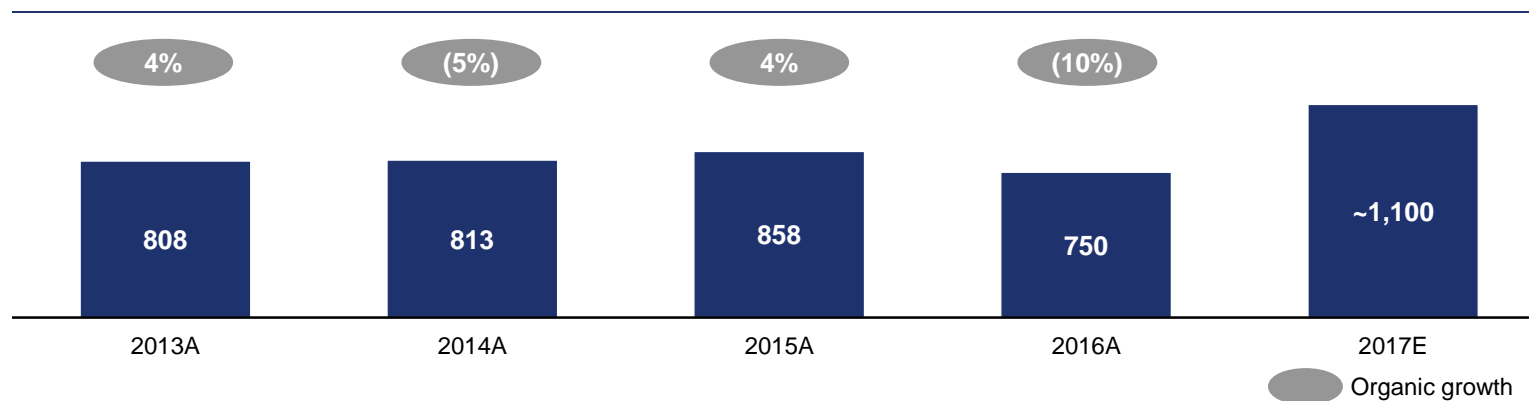
3.3. NKT Photonics financial performance

4. NKT A/S financial performance

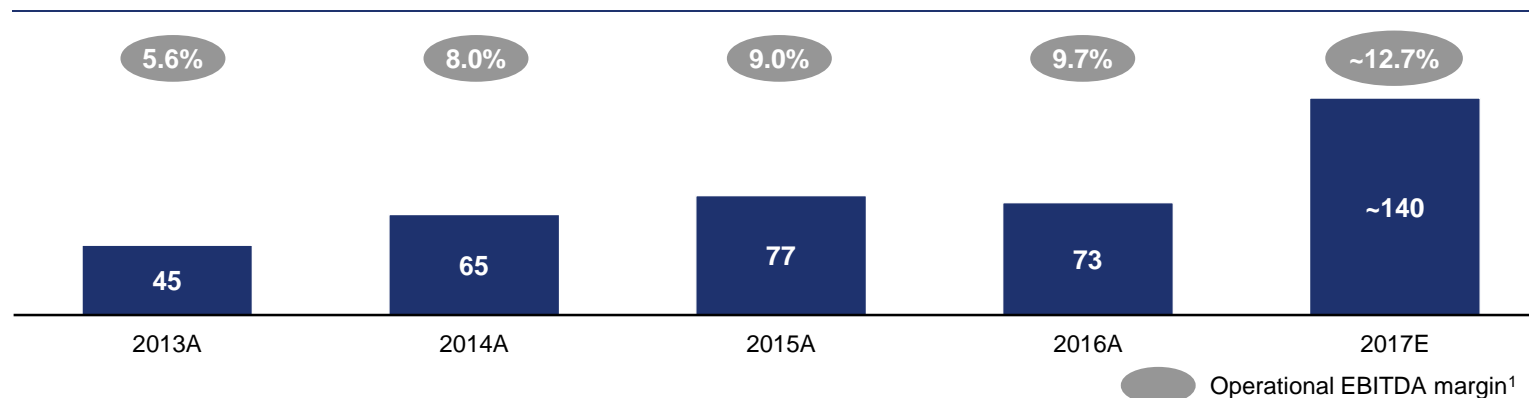
5. Conclusion and Q&A

Steady growth in profitability

Revenue¹, EURm



Operational EBITDA, EURm



Commentary

- Revenue impacted by the recent acquisition and disposals of non-core assets
- Fluctuation in organic growth reflects project order content and timing hereof
- Consistent improvement of profitability through cost and efficiency initiatives, as well as disposal of non-core or unprofitable segments
- Consolidation of ABB HV Cables to positively impact margin profile

Note: Figures do not include proforma figures for ABB HV Cables

¹ Based on std. metal prices

Implementation of DRIVE initiative and active portfolio reshaping as profitability drivers



Cost programme

DRIVE initiative	<ul style="list-style-type: none"> Launched by end-2013 and achieved EUR 60m in run-rate cost improvement by end-2015 The programme focused on cost reductions to improve the return on capital employed
-------------------------	--

	Target	Achieved by end 2015
Cost improvements	EUR ~60m	EUR 60m
FTE reductions	400 – 450 FTEs	381 FTEs

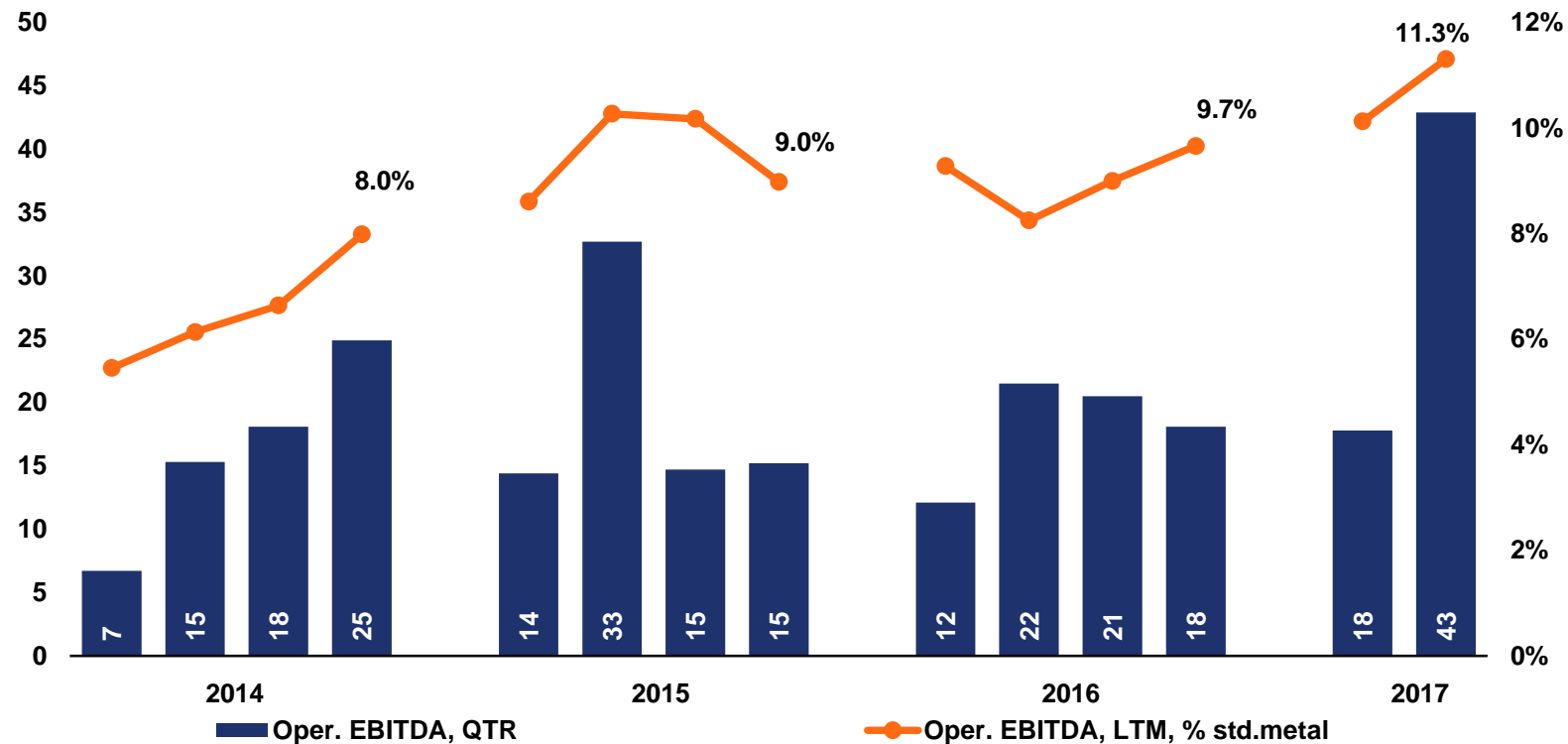
Portfolio reshaping

Cabinets	<ul style="list-style-type: none"> Disposal of unprofitable Cabinets business in Germany in 2016
China	<ul style="list-style-type: none"> Disposal of all Chinese business activities in 2016 allowed NKT to exit unprofitable businesses and free up working capital
Automotive	<ul style="list-style-type: none"> Disposal of Automotive business (non-core asset) in the Czech Republic in 2017
ABB HV Cables	<ul style="list-style-type: none"> Acquisition in 2017 allowed NKT to enter the DC market and created a leading player in the on- and offshore high-voltage market

Operational EBITDA driven by increased share of high-voltage business



Operational EBITDA 2014-2017, EURm

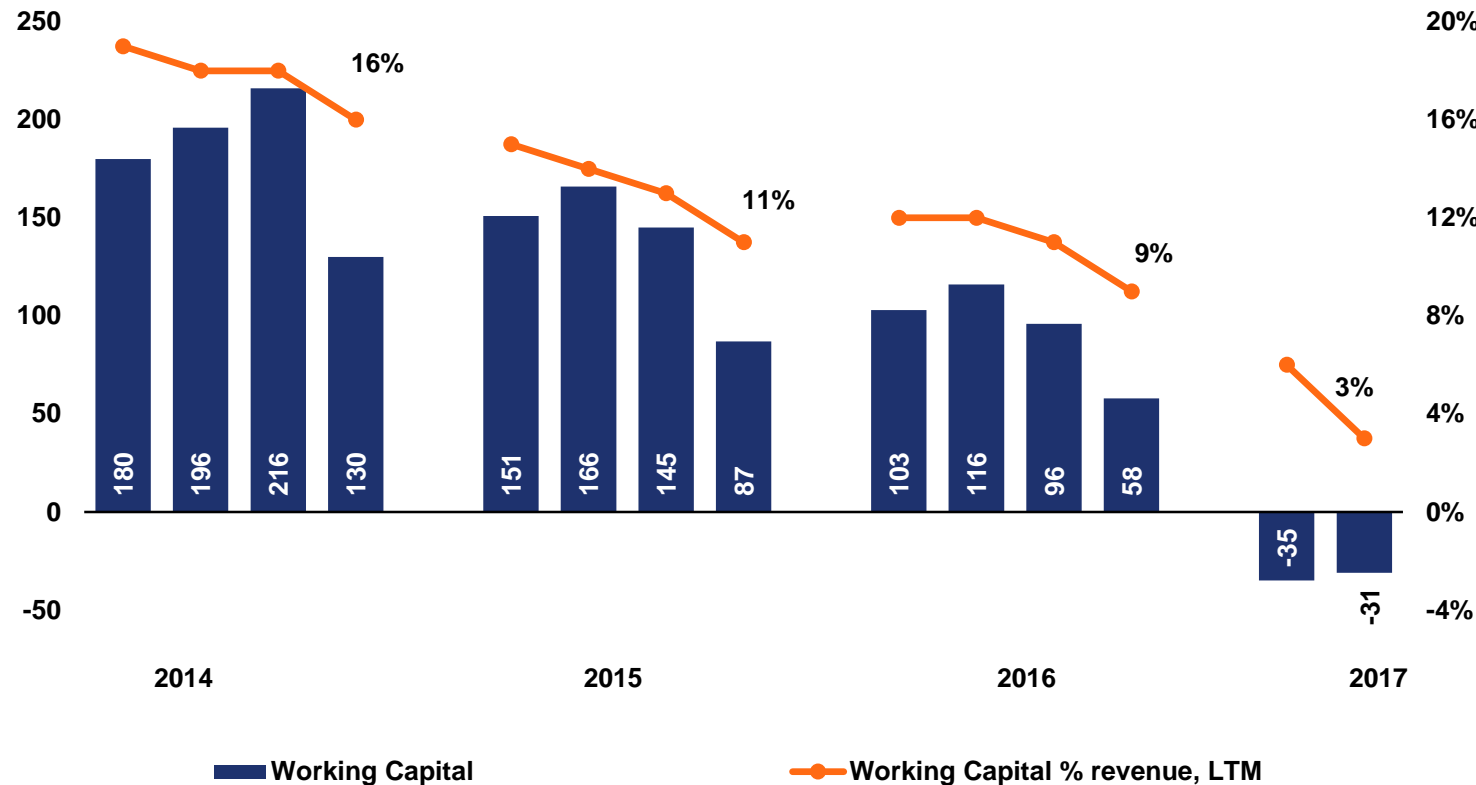


Commentary

- Improved margin in 2017 reflects higher exposure to high-voltage market
- Operational EBITDA margin in Q2 2017 amounted to 14.9% as earnings doubled versus Q2 2016
- Q2 2017 was the first quarter with full impact of the acquired ABB HV Cables business

Track record of improving working capital requirements

Working capital 2014-2017, EURm

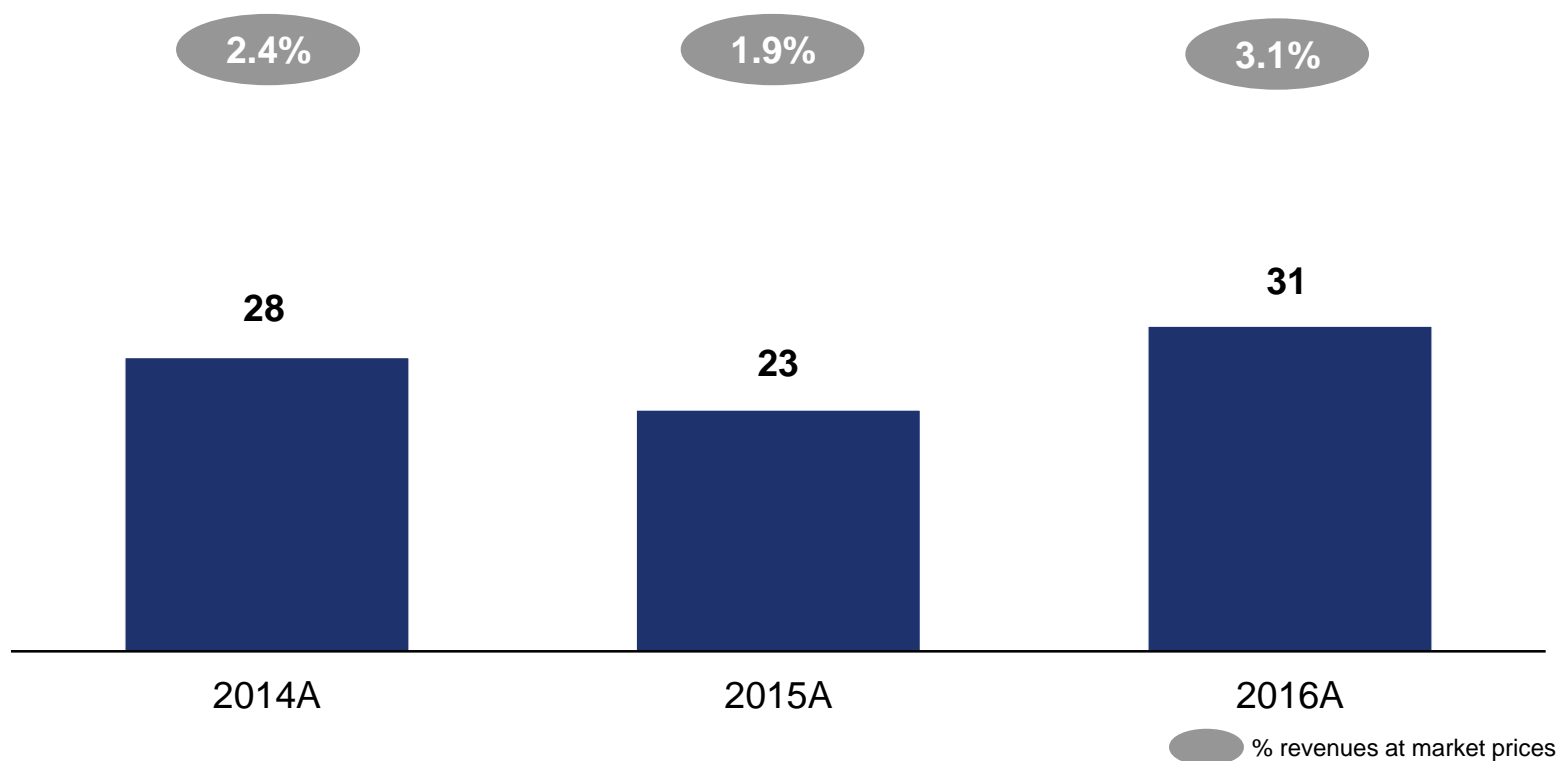


Commentary

- Ongoing operating efficiencies helped reduce working capital levels
- Disposal of working capital intensive Chinese businesses
- The acquired ABB HV Cables business has a negative working capital profile

Well-invested manufacturing platform

Capex¹, EURm



Commentary

- Best-in-class manufacturing facilities with world-class turnkey capabilities:
 - NKT Victoria vessel (delivered in 2017)
 - Karlskrona facility (upgraded in 2011-2015)
 - Cologne facility (build in 2008-2010)
- Well-invested platform with capacity and technology to meet future demands

¹ Additions to property, plant, equipment and intangibles

H1 2017 results driven by ABB HV Cables and solid execution in the legacy high-voltage offshore segment



Financial figures

EUR million	H1 2016A	H1 2017A	Change
Revenue, at std. metal prices	363	473	+30%
Operational EBITDA	33.6	60.7	+81%
Operational EBITDA margin ¹	9.3%	12.8%	+350bps
Working capital	115.7	-30.6	-146
RoCE	6.1%	9.2%	+310bps

Key highlights

- Organic revenue growth driven by primarily by ABB HV Cables business, with satisfactory development in legacy high-voltage offshore business
 - Includes four months of ABB HV Cables performance (between March and June 2017)
- Products segment impacted by competitive challenges in Eastern Europe and end of “photo year” in Germany compared to 1st half 2016, but positive development in Scandinavia and the UK
- Significant improvement in operational EBITDA margin driven by the higher share of revenue in the Solutions segment

¹ Based on std. metal prices

Change in financial reporting to reflect new customer-focused organisational structure

Current reporting segments

Projects

- High-voltage AC/DC offshore cables
- High-voltage AC/DC onshore cables
- Services
- High-voltage accessories

Products

- Low- & medium-voltage accessories
- Railway
- Medium-voltage cables
- Low-voltage cables
- Building wires
- Telecom cables

Segmentation as of January 1, 2018

Solutions

- High-voltage AC/DC offshore cables
- High-voltage AC/DC onshore cables

Service & Accessories

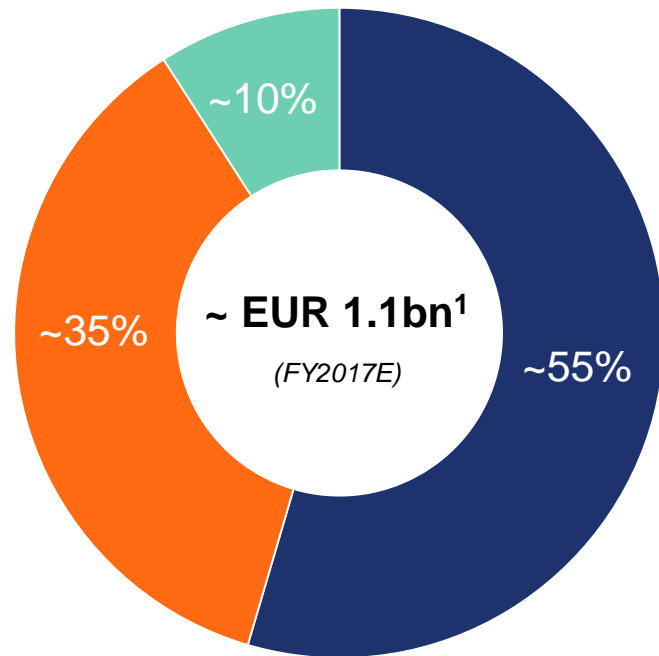
- Services
- High-voltage accessories
- Low- & medium-voltage accessories
- Railway

Applications

- Medium-voltage cables
- Low-voltage cables
- Building wires
- Telecom cables

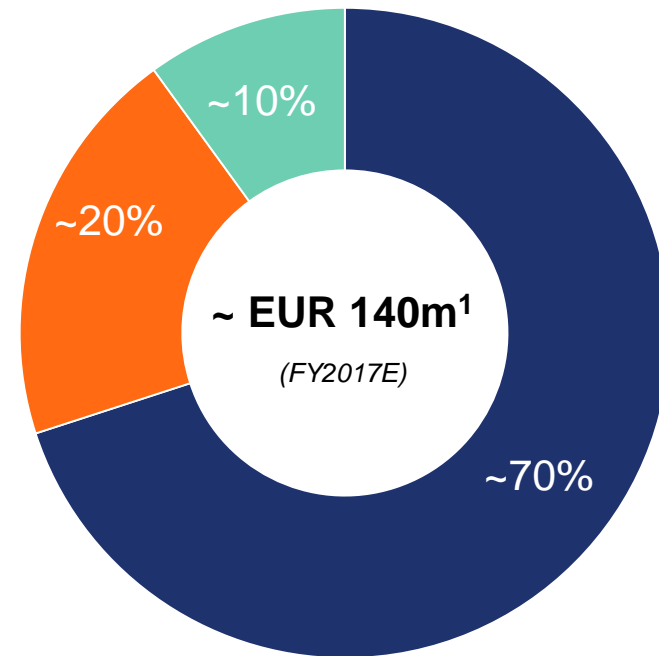
Solutions set to be largest contributor in 2017

Expected revenue by segment



■ Solutions ■ Applications ■ Service & Accessories

Expected operational EBITDA by segment



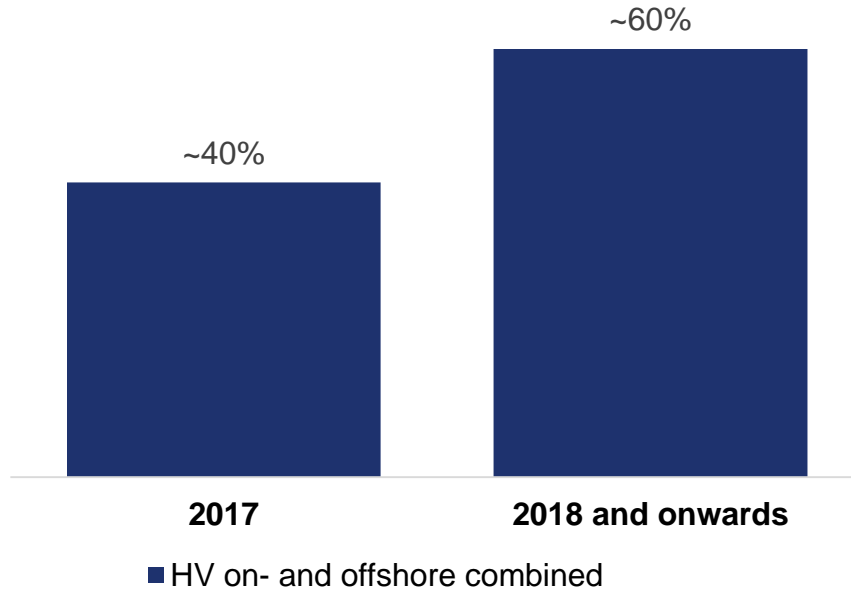
■ Solutions ■ Applications ■ Service & Accessories

Note: Operational EBITDA net of holding costs; 2017E based on management estimate
¹ std. metal prices, revenue based on external revenue

High-voltage orders of more than EUR 1bn in backlog



Revenue recognition split



- Orders on hand at **EUR 1.03bn** as of June 30, 2017

Solid mix of high-voltage orders

	2017			2018				2019			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Race Bank	█										
Galloper	█										
Dolwin 2			█								
Walney East & West			█								
Nordergrunde				█							
Martin Linge					█						
Caithness Moray						█					
Rentel						█					
Johan Sverdrup							█				
Kriegers Flak								█			
Hornsea											█
Nordlink											█
Borssele Alpha											█
Borssele Beta											█

Potential

60% of the current order backlog is expected to turn into revenue from 2018 and onwards

Synergies from acquisition to reach EUR ~30m by end-2018 (annual run-rate)



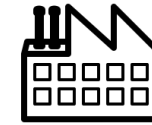
Commercial

- Focus on profitable revenue growth
- Market leading technology
- Complete product offering



Bottom line

- Procurement optimisation
- IT synergies
- Overhead costs



Manufacturing

- Scalable production facilities
- Cost-effectiveness
- Optimisation of production planning

—
2017 realised synergies to be limited due to high focus on timely execution of the existing order backlog

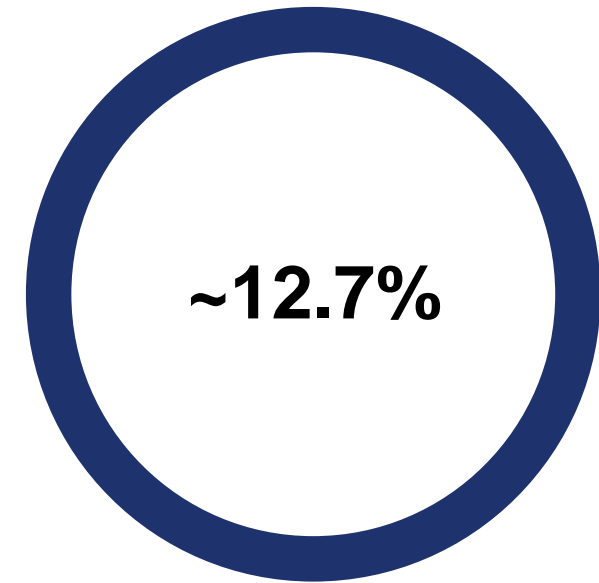
2017 financial outlook for NKT



Revenue¹



Operational EBITDA

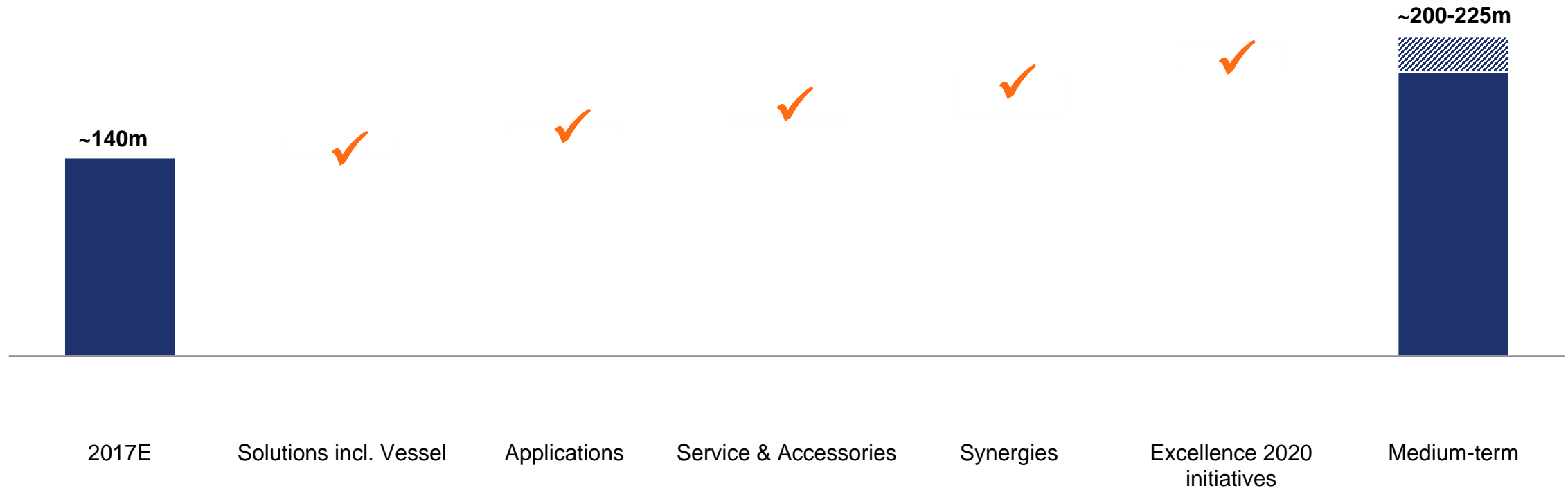


**Operational EBITDA
margin¹**

—
Focus on integration of ABB HV Cables and shift towards higher margin solutions business

Solid path towards medium-term target

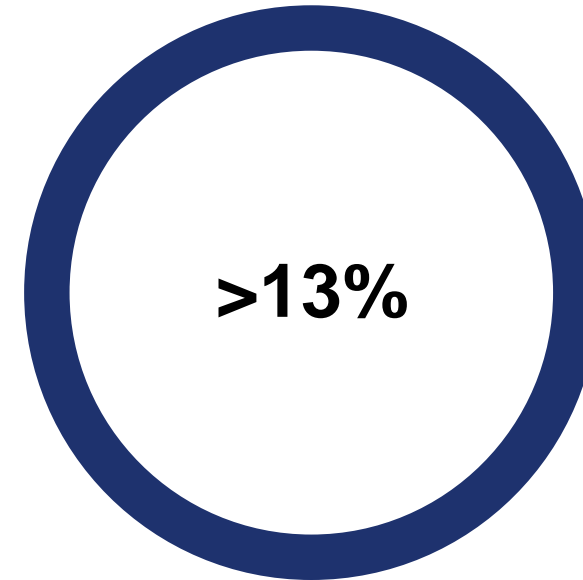
Illustrative operational EBITDA bridge (EUR)



Medium-term outlook for NKT



Operational EBITDA



RoCE

- Focus on execution of EXCELLENCE 2020 and synergies from the acquired ABB HV Cables business
- Subject to future demand for HV projects, capacity expansions can be made to drive RoCE above 15%

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 - 2.5. Excellence 2020 strategy
 - 2.6. NKT financial performance
- 3. NKT Photonics**
 - 3.1. Introduction to NKT Photonics**
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NKT Photonics management team



Basil Garabet
President &
CEO

2 years at NKT
Photonics
35 years in the
industry

Presenting today



**Christian V.
Poulsen**
CTO

18 years at NKT
Photonics
25 years in the
industry



Don Riddell
COO

1 year at NKT
Photonics
25 years in the
industry



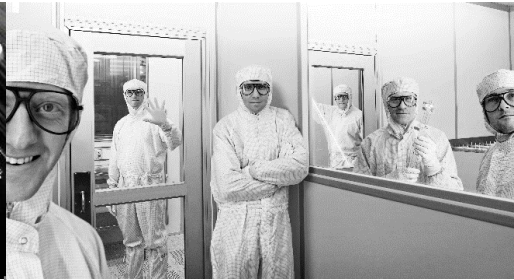
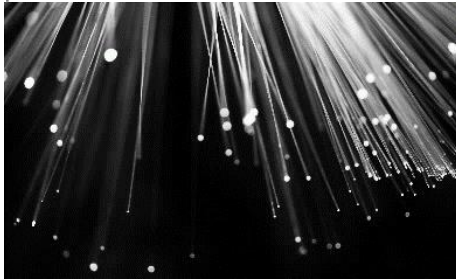
**Lasse
Snebjerg**
CFO

5 years at NKT
1 year in the
industry

Journey from NKT investment to successful commercialisation

1980

NKT starts production of optical fibers



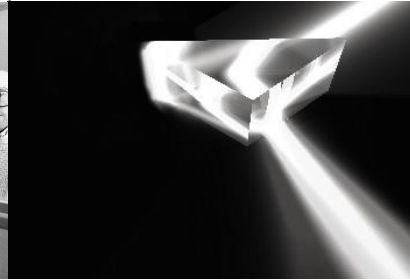
2004–2009

2004: Acquisition of Blaze Photonics (GB)

2005: Acquisition of LG Laser (DE)

2007: Koheras merges with NKT research

2009: Crystal Fibre and Koheras merge and become NKT Photonics



2000

NKT establishes Crystal Fibre and Koheras that would form the foundation of NKT Photonics

2016

LIOS technologies becomes part of NKT Photonics

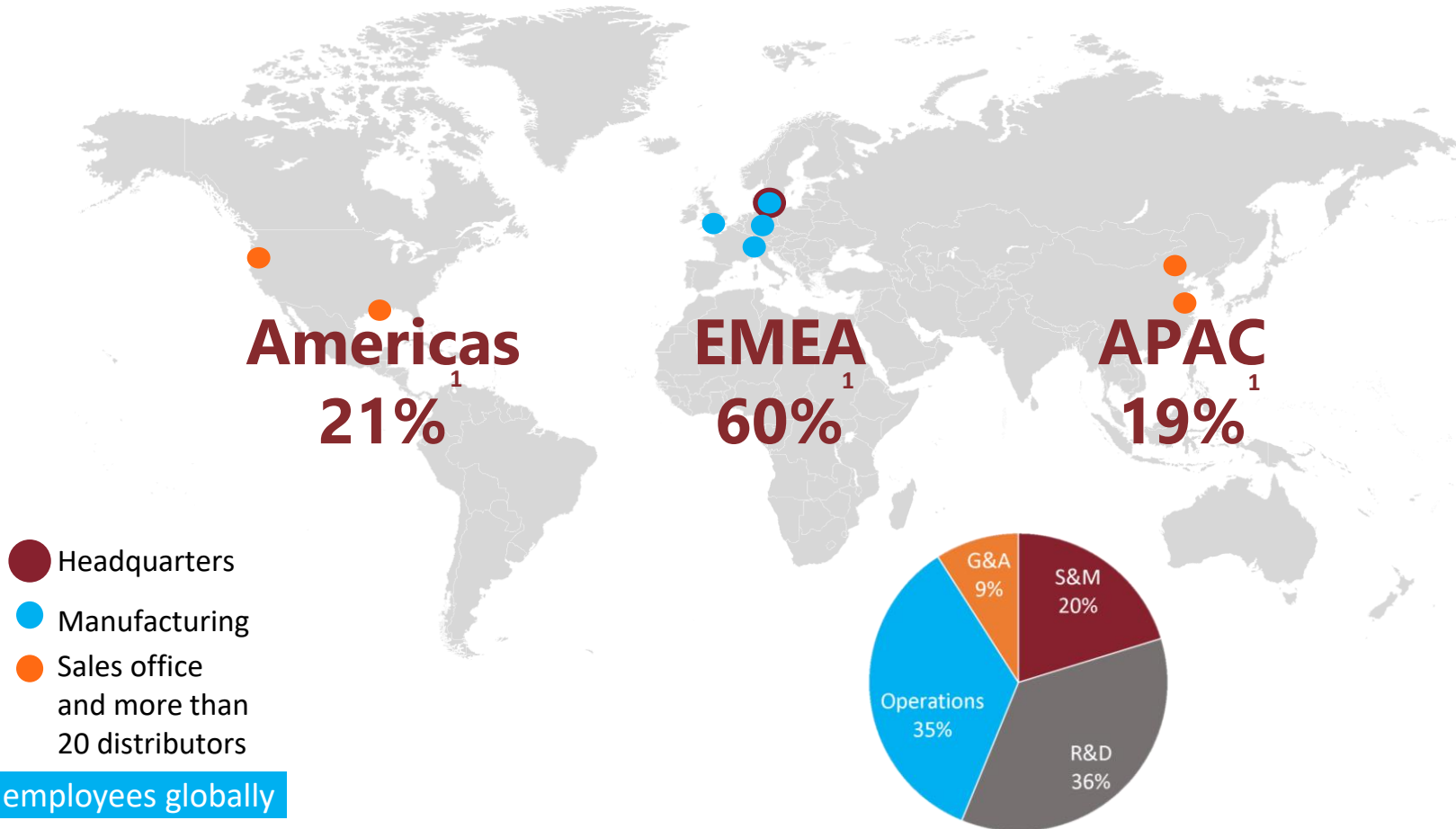
Acquisition of Fianium (GB)

2017

Acquisition of Onefive (CH)

NKT Photonics has transformed from a R&D technology centre to reach commercial scale

Global reach with development and production leadership



DK - Birkerød
Headquarter + product lines

Products: SuperK & Koheras lasers, Fibers

GB - Southampton
R&D + pilot line

Products: SuperK supercontinuum lasers

DE - Cologne
Product lines

Products: LIOS sensing systems

CH - Zurich
Product lines

+ Berlin site

Products: Onefive ultrafast lasers

¹ FY2016 revenue contribution

NKT Photonics is a leading supplier of high performance lasers and fibers



1

Active in the fastest growing segments in the global photonics industry

2

Expertise in precision laser-based manufacturing and life sciences

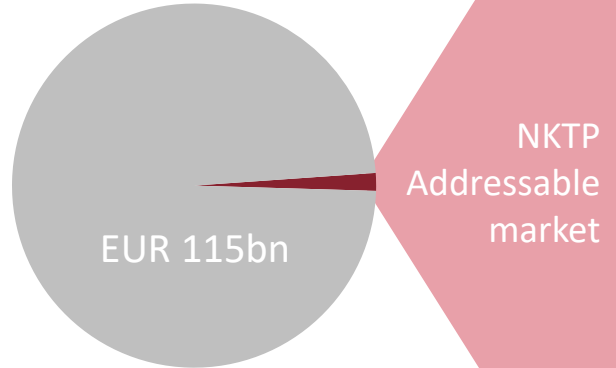
3




Proven commercialisation strategy

The foundation has already been laid for NKT Photonics to be at the forefront of each of its markets

1 Focus on the fastest growing photonics segments

2015 Global Photonics Market for Medical, Components and systems, Measurement and Production technology:



38% of revenue ²		33% of revenue ²		29% of revenue ²	
Imaging & Metrology		Sensing & Energy		Material processing	
					
Semiconductor	Energy	Micromachining			
EUR ~ 50m ~5%	EUR ~ 100m ~5%	EUR ~ 275m ~15%			
Bio-imaging & Medical	Security	Medical			
EUR ~ 750m ~15%	EUR ~ 100m ~5%	EUR ~ 100m 30%			
Industrial metrology	Structural monitoring	R&D			
EUR ~ 150m 10%	EUR ~ 150m ~5%	EUR ~ 200m ~5%			

NKT Photonics grows above the market CAGR of 5-7% as old technology is replaced with fiber-based systems

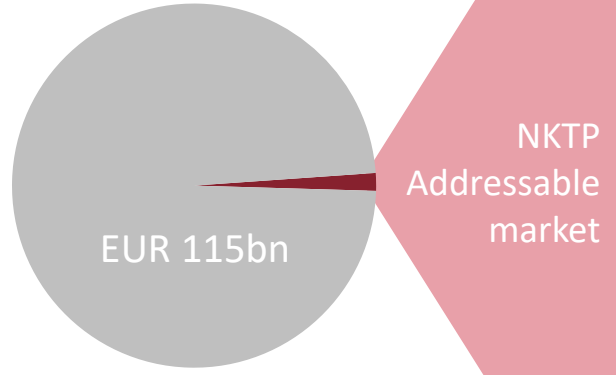
Source: Optech Consulting report for Photonics21 / EU Commission
¹ Management estimates
² Based on 2016 revenue

CAGR: [x]%



1 Focus on the fastest growing photonics segments

2015 Global Photonics Market for Medical, Components and systems, Measurement and Production technology:



38% of revenue²

Imaging & Metrology



Semiconductor



Bio-imaging & Medical



Industrial metrology



33% of revenue²

Sensing & Energy



Energy



Security



Structural monitoring



29% of revenue²

Material processing



Micromachining



Medical



R&D



NKT Photonics grows above the market CAGR of 5-7% as old technology is replaced with fiber-based systems

Source: Optech Consulting report for Photonics21 / EU Commission
¹ Management estimates
² Based on 2016 revenue

CAGR: [x]%



1 Growth driven by macro trends

Growing and aging population

Population to reach 8.5bn and ageing population to grow by 56% until 2030¹



Resource pressure on environment
Increased health care costs

Increased demand for optical sensing and monitoring to optimize use of energy and infrastructure.
Faster and cheaper medical instrumentation for mass screening, diagnostics and treatment based on lasers.

Increased technological complexity

Move towards smaller technology platforms



Smaller structures

Transformation of manufacturing towards more precise ultrafast lasers for measurements and processing

Society
Industry

The need for speed and precision, coupled with rising energy demands at a lower cost will continue to drive growth of the photonics industry for the foreseeable future

¹ United Nations – Department of Economic and Social Affairs

2

Case study: Adoption of laser-based precision manufacturing continues to rise

Glass

Cutting next-generation strengthened glass

Sensors

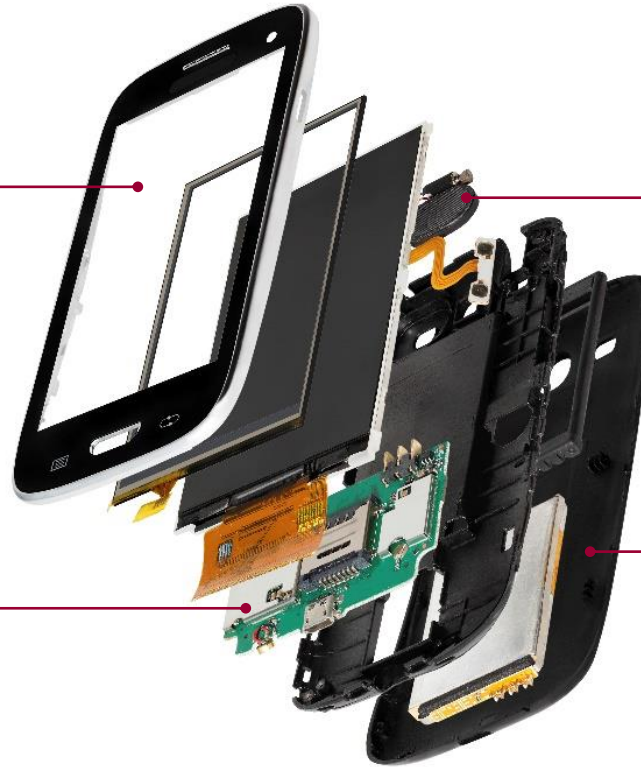
Calibration and characterization of optical sensors and cameras

Semiconductor chips

Measurements and processing during wafer fabrication

Enclosure and PCB

Marking, drilling, cutting, and inspection



NKT Photonics supply components to blue-chip customers that are used in the fabrication of their flagship products

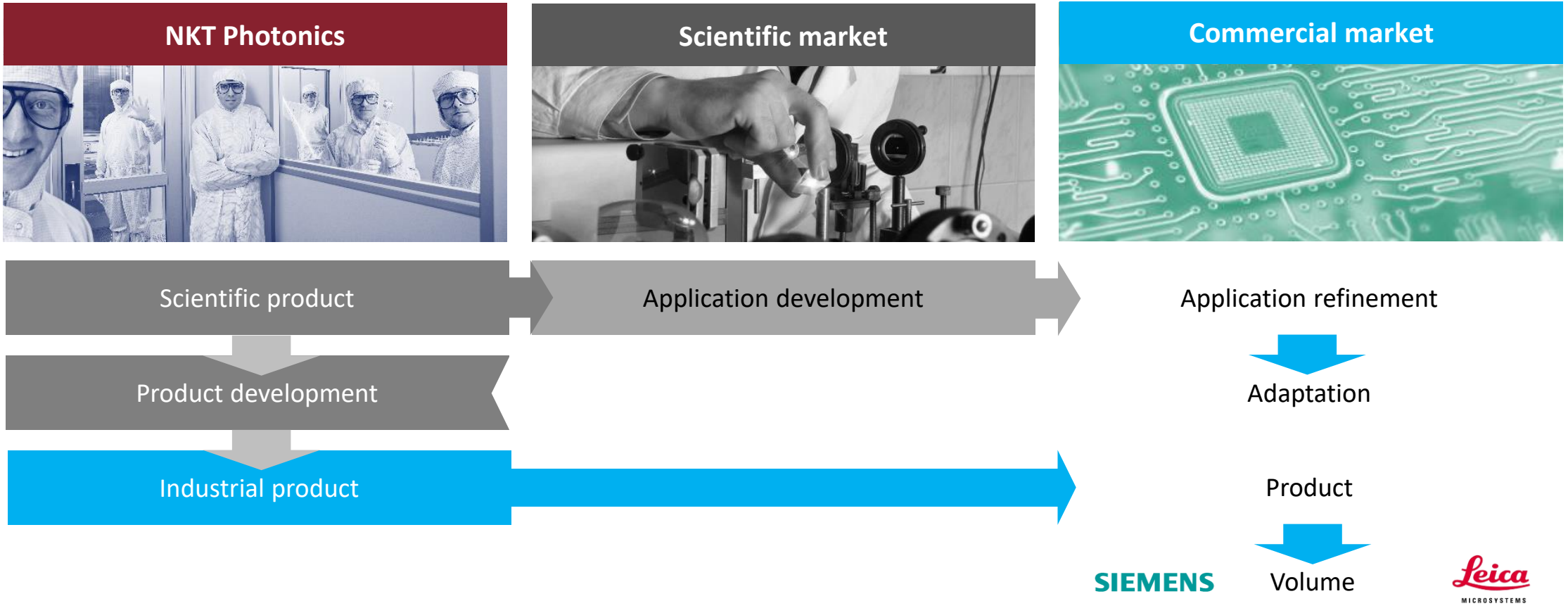
2 Case study: Ophthalmology market is moving towards ultrafast lasers for treatment and diagnostics

- Vision correction (LASIK)
 - Measurements
 - Flap cutting
 - Correction
- Cataract treatment
- Diagnostics



Source: BBC LG Consulting Group

3 Successful commercialisation strategy

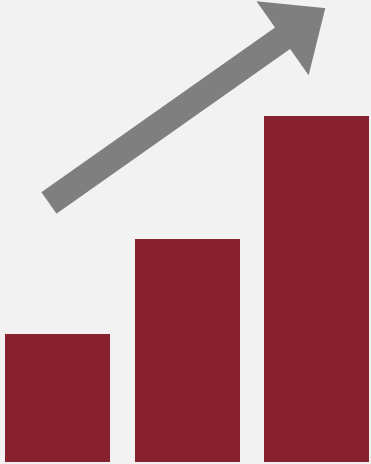


NKT Photonics has successfully introduced new products to the market via its research feeder system

3 Strategic priorities clearly defined to reach next level

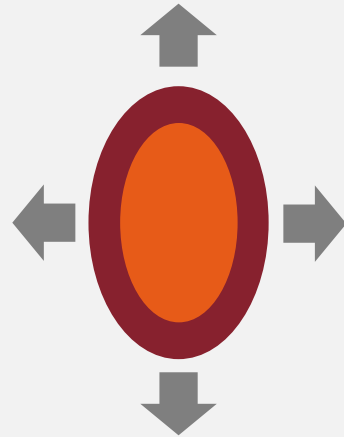
Move up in value chain

Expand from supply of components to complete optical systems



Focus on organic growth

Actively pursue growth opportunities within core organically and through partnerships



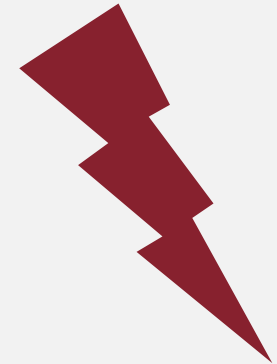
LEAN Operations

Scalable manufacturing
Commercial excellence

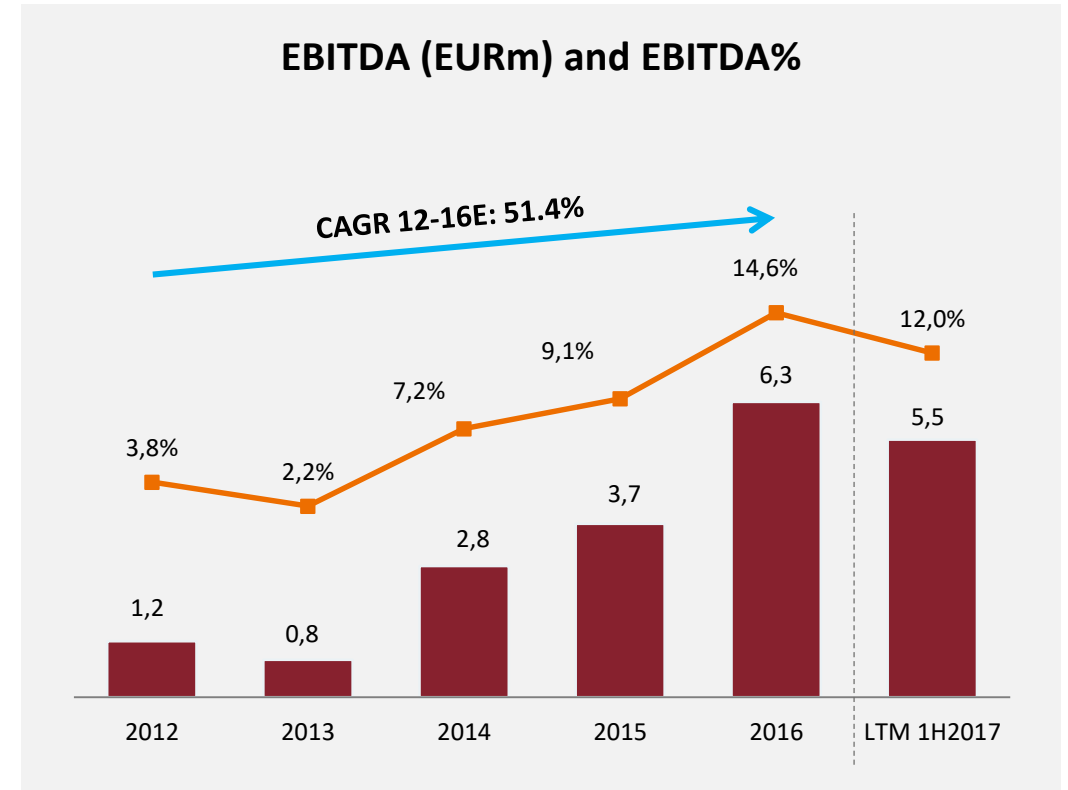
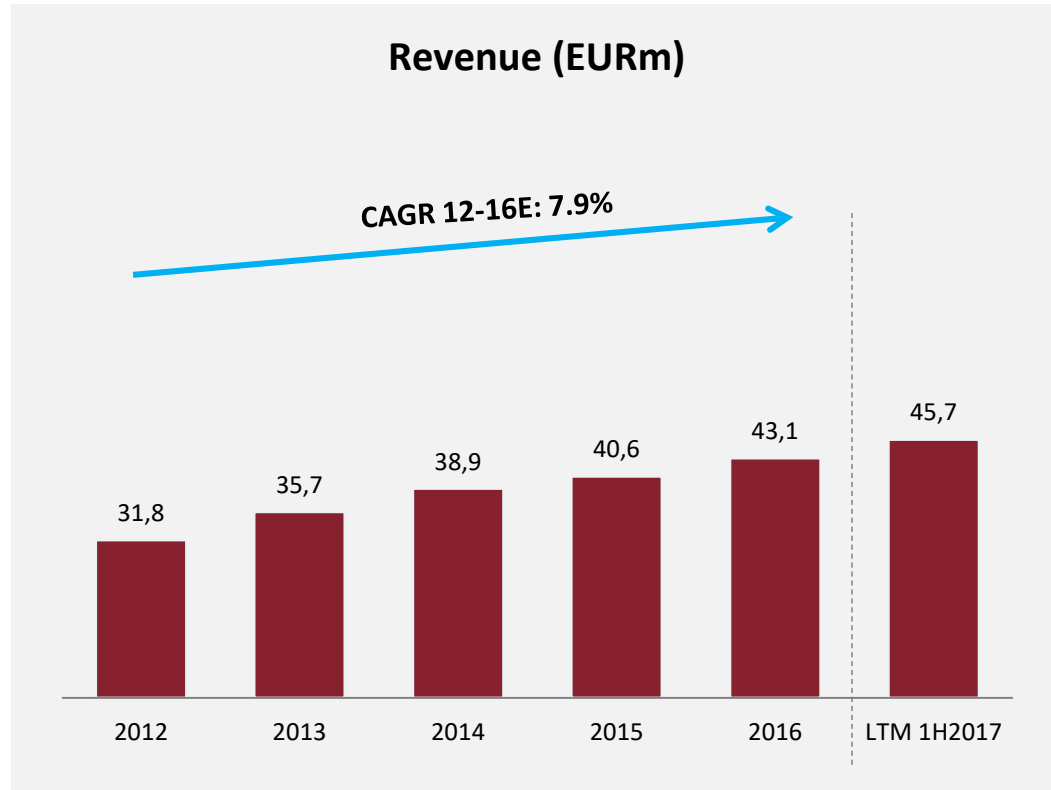


Fast introduction of new products

Continued introduction of new products and technologies to meet customers' needs

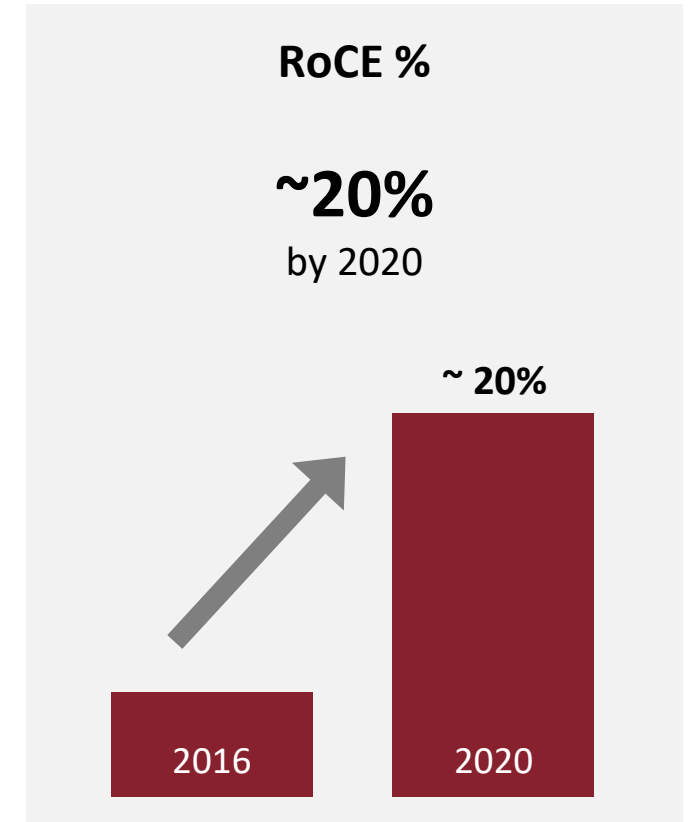
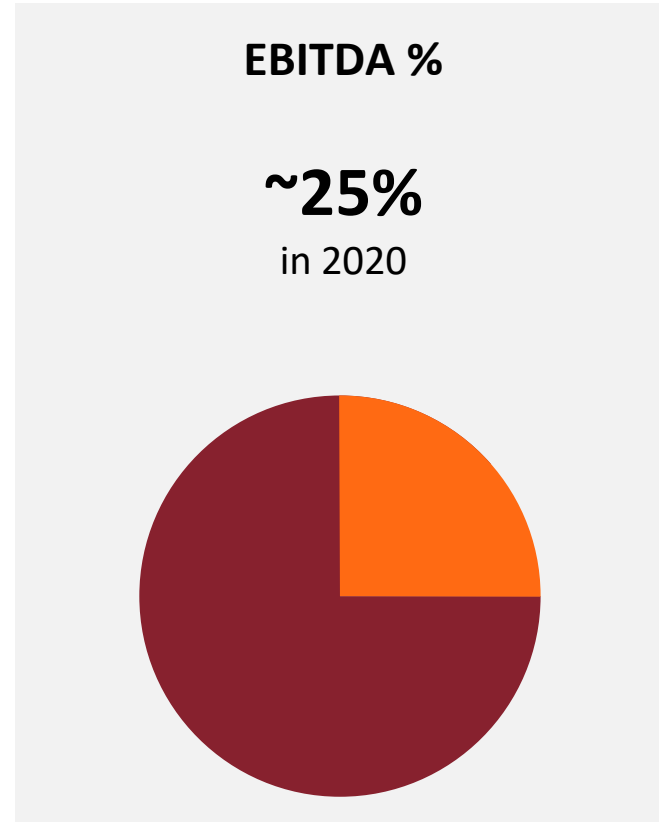
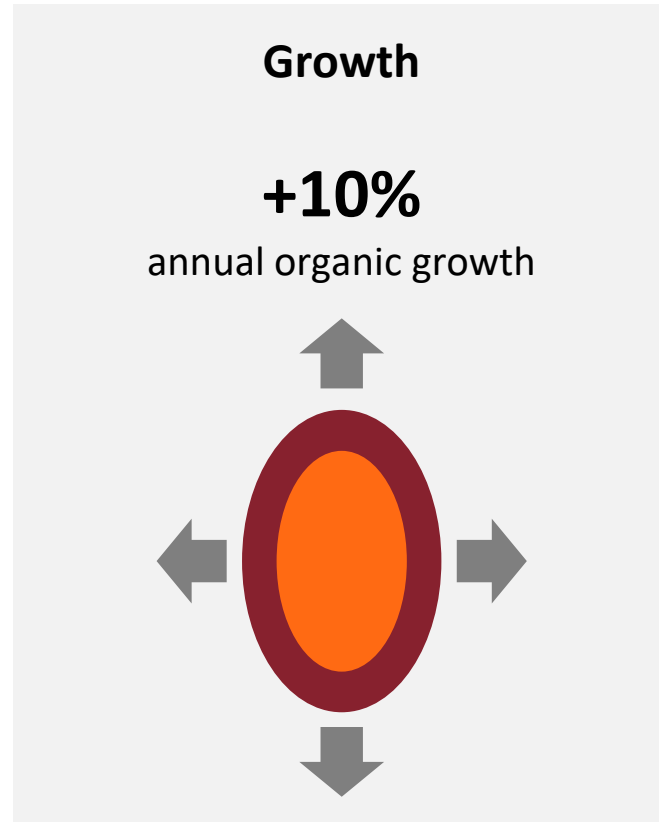


Profitability has grown by c.50% p.a. since 2012



Rapidly growing profitability as operations move from research & development to commercial scale

Medium-term targets

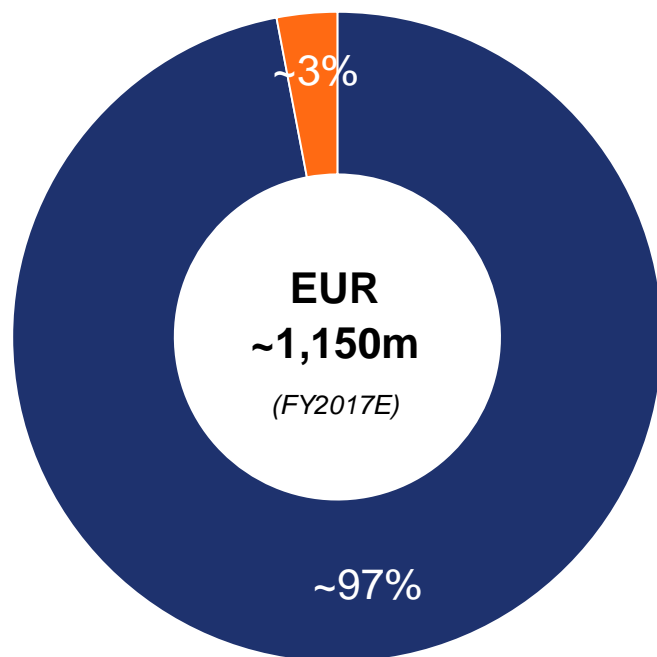


Agenda

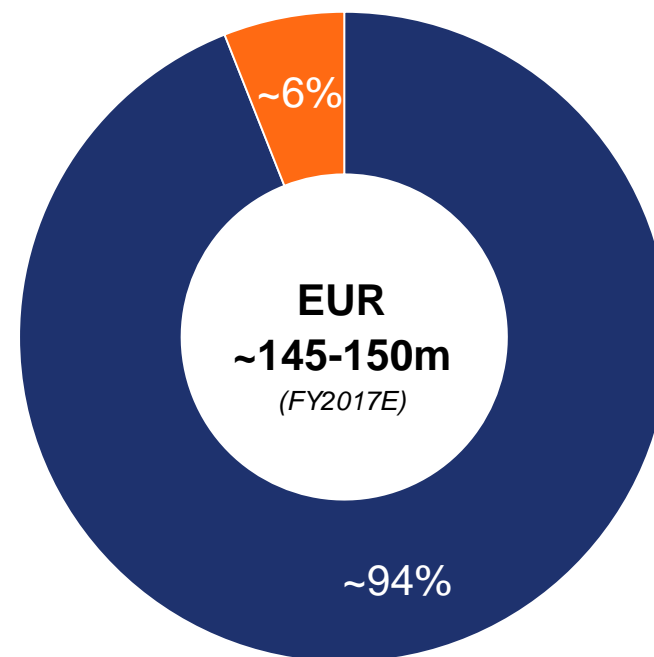
1. Introduction to NKT A/S
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NKT represents ~95% of the new NKT A/S¹

Revenue



Operational EBITDA



■ NKT ■ NKT Photonics

2017E based on management estimate

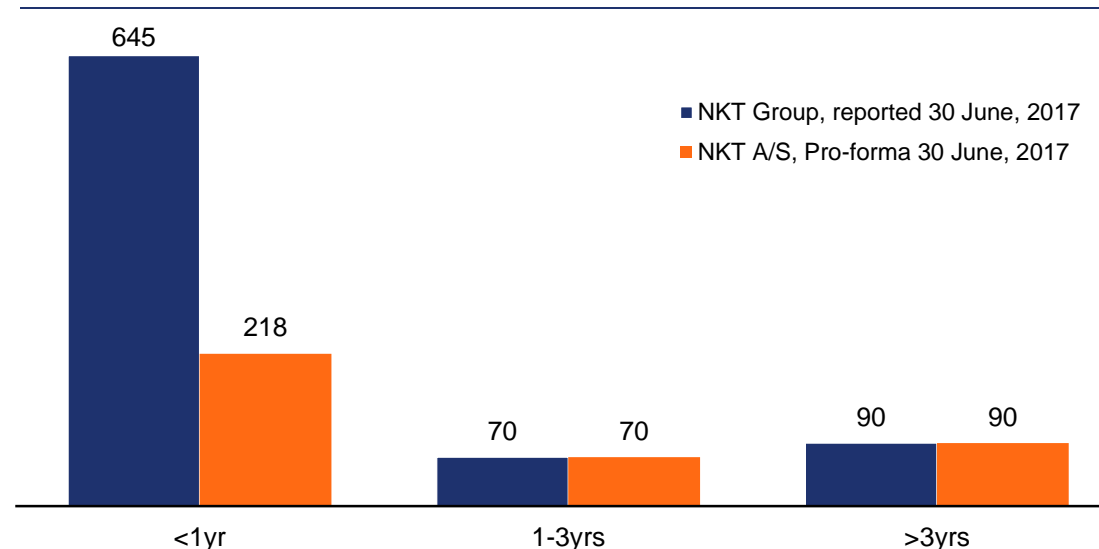
¹ Continuing operations (excl. Nilifsk), based on std. metal prices

NKT A/S pro-forma capital structure as of end-June, 2017

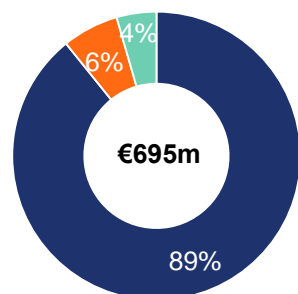
Capitalisation, EURm

	Reported 30 June, 2017	Pro-forma 30 June, 2017
Revolving facility	-168	-169
Acquisition facility	-625	-209
Gross debt	-793	-378
Cash	50	31
<i>Memo: Net debt</i>	-742	-347
Leverage	2.6x	2.2x
Equity	982	840

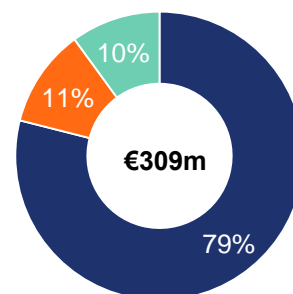
Gross debt maturity profile, EURm



Total cash and debt facilities



Cash and unused facilities



■ Committed
 ■ Uncommitted
 ■ Net cash

- NKT A/S' NIBD/Op. EBITDA leverage was pro-forma 2.2x as of 30 June 2017
- NKT has unused facilities and cash of EUR 309m in addition to gross debt of EUR 378m
- Short-term debt related to acquisition facility to be refinanced in 2018
- NKT has supportive long-term relationship banks and consider loan market as attractive

NKT A/S has effective financial risk management procedures



Liquidity and interest rate



- NKT is primarily financed by committed bank facilities and mortgage loans related to factories.
- Total available facilities are calibrated with business plans and expected working capital with the objective to leave sufficient headroom to absorb unexpected fluctuations and strategic decisions
- Currently 40% of NIBD is subject to fixed interest rates, which is within group policy

Commodity



- Commodity risk relates to metal exposures and to a less degree plastic components and are managed using Value at Risk methodology
- In situations where commodity risk can't be transferred to customers, NKT uses financial derivatives to hedge exposures
- It is NKT policy to hedge all significant commodity exposures

Currency



- Currency risk relates to received or paid cash flows in other currencies than EUR
- All significant currency risks are hedged using plain vanilla derivatives
- Value at Risk methodology is used for FX risk management - max. annual loss with 95% likelihood is limited to a risk threshold of EUR 4m

Credit risk



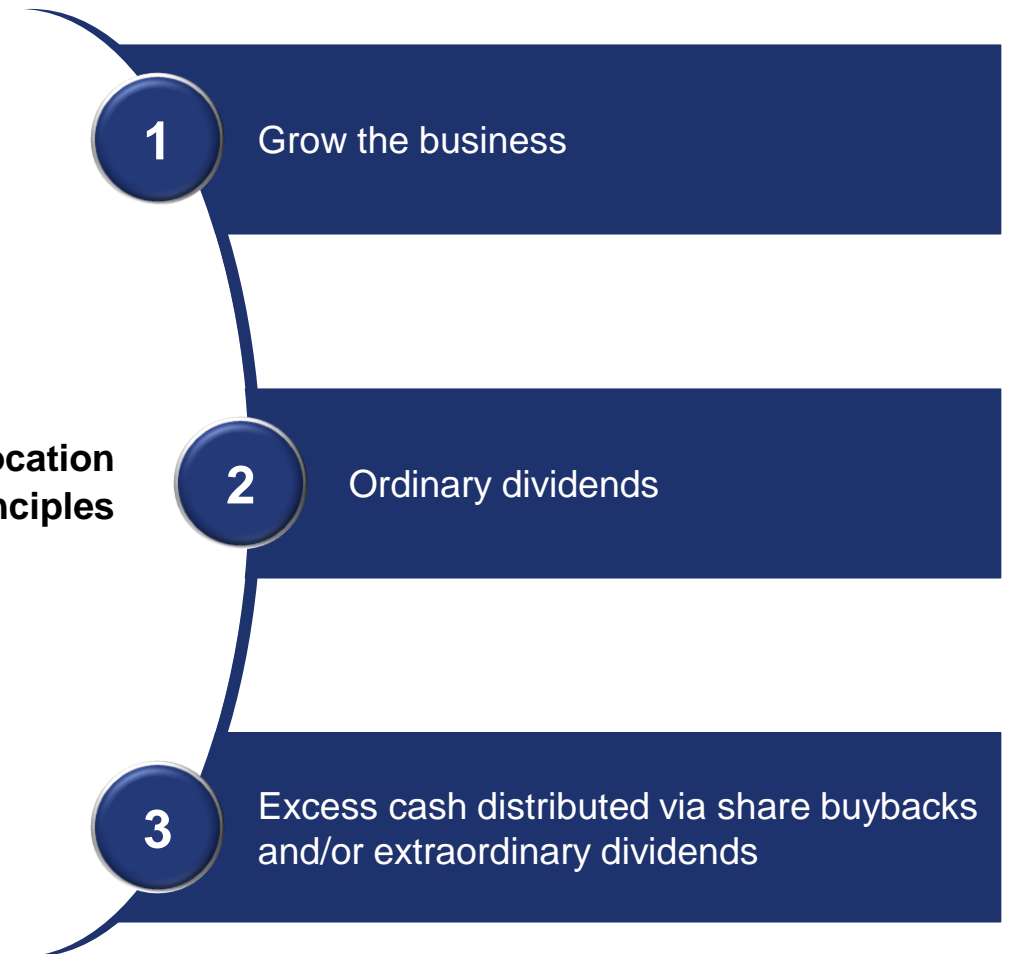
- The Group's credit risks relate primarily to receivables
- The credit risk policy includes continuous financial risk assessment on counterparties and considerations on concentration of business and strategic dependencies towards specific customers or suppliers
- The Group has no material risks relating to a single customer or partner

Financial risk management is an integrated part of NKT's business processes

Financial policy and capital allocation principles

Leverage target	NIBD / operational EBITDA up to approx. 1.5x
Dividend policy¹	Pay-out ratio of approx. 1/3 of profit for the year (no pay-out in 2018 regarding 2017 result expected)

Capital allocation principles



¹ Payment of dividends, if any, will in general be determined with a view to balance the pay-out ratio and the target leverage ratio and will further depend on a number of factors, including future revenue, profits, financial conditions, leverage ratio, general economic and business conditions, future prospects, strategic initiatives, etc.

NKT A/S historical consolidated financial position

EURm	2015A	2016A	H1 2017A	H1 2017 PF
Tangible assets	367.2	272.8	720.8	720.8
Intangible assets	333.2	73.5	574.1	574.1
Other non-current assets	86.6	36.0	49.6	49.6
Total non-current assets	787.0	382.3	1,344.5	1,344.5
Inventory	342.5	142.1	225.9	225.9
Trade receivables	490.7	207.2	356.5	356.5
Cash at bank and in hand	58.3	127.8	30.6	30.6
Other current assets	5.1	887.7	851.5	0
Total current assets	896.6	1,364.8	1,464.5	613.0
Total assets	1,683.6	1,747.1	2,809.0	1,957.5
Total equity	809.5	951.4	982.2	839.6
Non-current interest-bearing loans	143.9	83.0	773.8	358.0
Other non-current liabilities	117.5	73.9	127.0	127.0
Non-current liabilities	261.4	156.9	900.8	485.0
Current interest-bearing loans	11.6	10.5	27.4	27.4
Trade payables	554.2	273.5	605.5	605.5
Other current liabilities	46.9	354.8	293.1	0
Current liabilities	612.7	638.8	926.0	632.9
Total equity & liabilities	1,683.6	1,747.1	2,809.0	1,957.5
<i>NWC</i>	269.2	217.0	169.9	-14.4
<i>Capital employed</i>	898.4	883.0	1,724.5	1,186.6
<i>Net interest-bearing debt</i>	88.9	(68.4)	742.3	347.0
<i>Leverage</i>	0.5x	(0.4x)	2.6x	2.2x

Commentary

- NKT net-interest bearing debt increased in H1 2017A through the acquisition of ABB HV Cables and payment of NKT Victoria
- Nilfisk was recorded as discontinued operations in 2016 and 1H 2017
- Increase in equity due to the capital increase completed in October 2016
- NKT pro-forma balance sheet is considered solid with 43% solvency and 2.2x NIBD/Operational EBITDA

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NKT A/S key investment highlights

NKT

- 1 NKT is well positioned in some of the most profitable segments within the cable industry
- 2 Leading provider of high quality solutions to address the growing global HVDC and established HVAC markets
- 3 A leading European player in the LV/MV segment with focus on profitable growth
- 4 Scalable cost-effective manufacturing facilities and world-class turnkey capabilities
- 5 Best-in-class margin profile in the cables sector with a focus on improving RoCE
- 6 Opportunities and ambition to deliver on Excellence 2020 program and ABB HV Cables synergies



NKT Photonics

- 1 Active in the fastest growing segments in the global photonics industry
- 2 Expertise in precision laser-based manufacturing and life sciences
- 3 Proven commercialisation strategy

NKT

Power to life since 1891



NKT A/S

Vibeholms Allé 25
2605 Brøndby
Denmark

T: +45 4348 2000
ir@nkt.com
www.nkt.com

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