

December 2024

# Updated medium-term financial ambitions

Webcast Presentation

Today's presenting  
team



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President & CEO



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CFO

# 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.





## Updated medium-term financial ambitions for 2028

Organic revenue\* growth

CAGR: >14%

Operational EBITDA:

EUR >700m

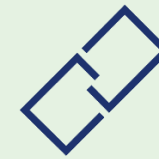
RoCE: >20%



## Update on high-voltage investment programme in Karlskrona

Progressing according to time schedule

Total investments expected to increase by EUR 300m



## Accumulated capex expectations for 2025-2028

Around EUR 2bn

Enhance NKT's business opportunities and value creation

\* Std. metal prices.

# Updated medium-term financial ambitions for 2028






## The medium-term ambitions are based on several assumptions including:

- Market demand supporting continued favourable supply/demand balance
- Ensure further high-voltage project awards securing high utilization of production and installation assets
- Satisfactory execution and development of high-voltage investments and projects to deliver on expected profitability margin
- Satisfactory execution of medium-voltage investments
- Stable supply chain with limited disruptions and access to the required labour, materials and services
- Stable development of the global economy, foreign currency and metal prices

\* Std. metal prices

# NKT expects to deliver above previously communicated 2028 ambitions on organic revenue growth and operational EBITDA



	Ambitions as of May 2023	Updated financial ambitions	Improvement driven by
<b>Organic growth</b>	CAGR >12% 2021 - 2028	CAGR >14% 2021 - 2028 	<p>Announced investments in:</p> <ul style="list-style-type: none"> <li>• HV capacity and capabilities in Cologne, Germany</li> <li>• Medium-voltage factories in Denmark, Sweden, and the Czech Republic</li> <li>• Acquisition of SolidAI and an investment in the new site in Portugal</li> </ul> <p>Improved earnings visibility from increased high-voltage order backlog</p> <p>Investments and continued solid demand for power cables solutions are expected to drive improvements across all three business lines</p>
<b>Operational EBITDA</b>	EUR >300m / >550m 2025 / 2028	EUR >700m 2028 	
<b>RoCE*</b>	>15% / >20% 2025 / 2028	>20% 2028 	

\* RoCE defined as operational EBIT as a percentage of average of the last five quarters of capital employed with capital employed defined as group equity plus net interest-bearing debt

# Update on HV investment programme in Karlskrona



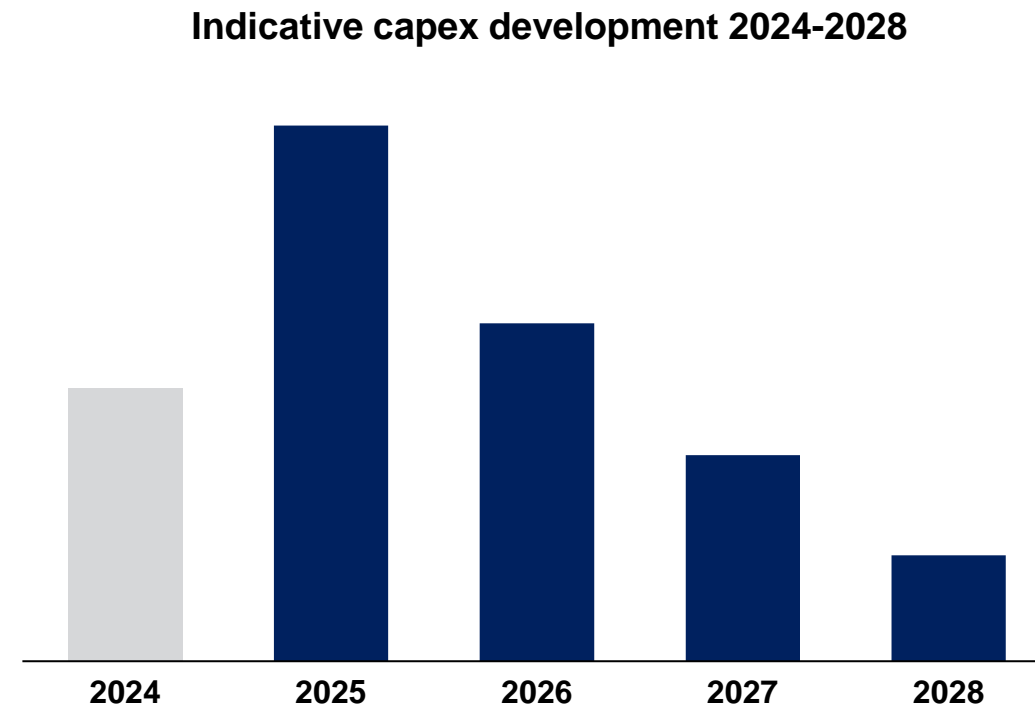
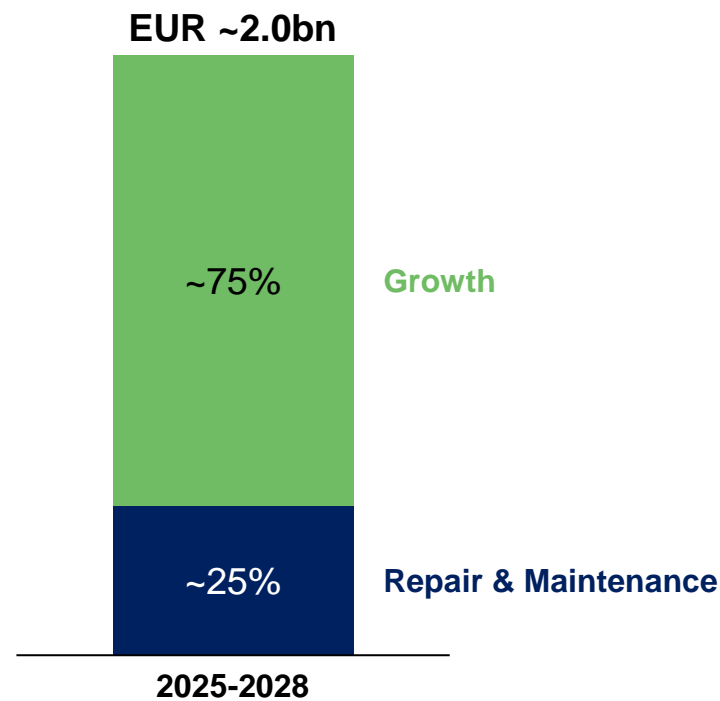
As the investment programme has progressed, NKT has identified additional opportunities and risks as well as general cost inflation

## Key developments

- Heavy construction work ongoing currently
- Extrusion tower has reached final height of 200 meters above ground
- Investments related to the programme are expected to increase by approximately EUR 300m.
- Increase is related to general cost inflation, additional scope and design of the factory
- The investment programme remains accretive to NKT's medium-term financial ambitions of a RoCE >20%
- Expected timeline is unchanged, and the new assets will be operational from 2027



# Capex expectations 2025-2028



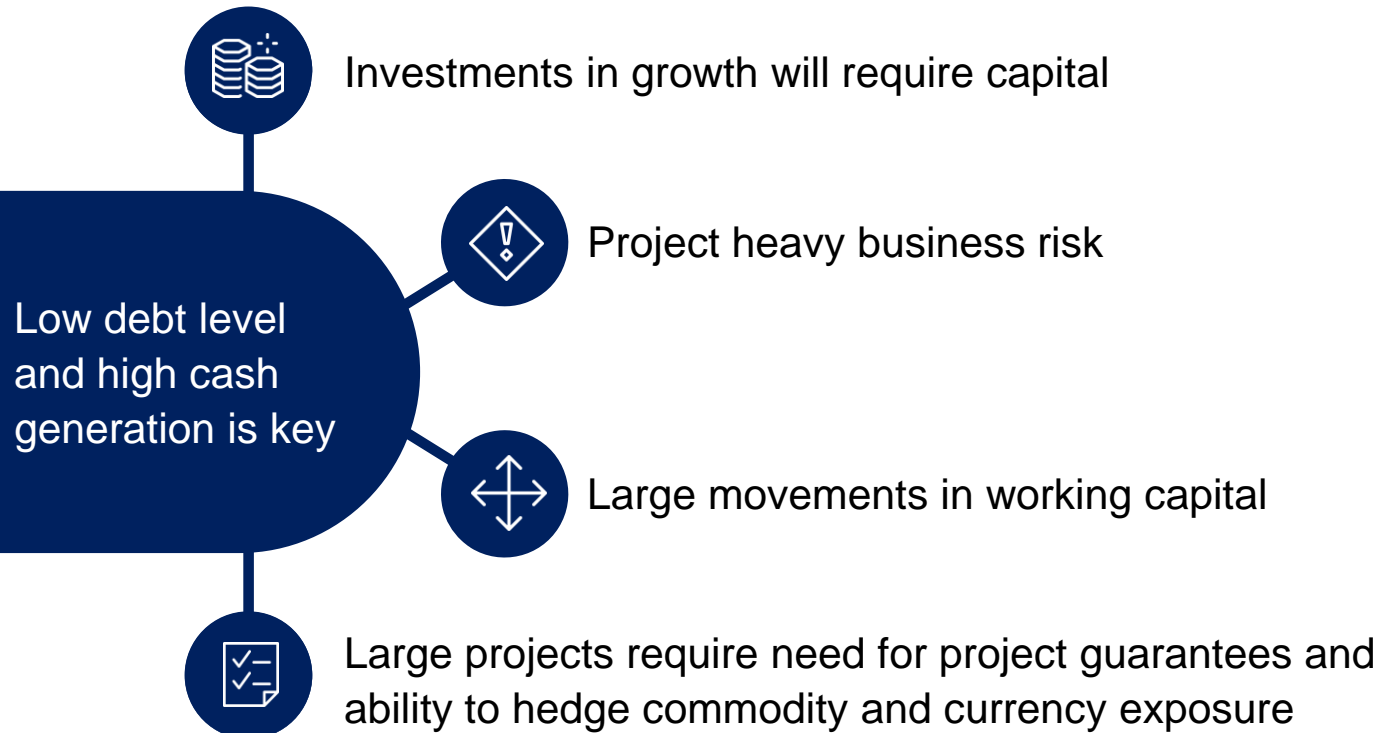
Investments are expected to support NKT's medium-term financial ambitions including delivering RoCE above 20%, while full effect is expected beyond 2028.



# Capital structure target confirmed



NKT's business model requires a robust capital structure



Leverage ratio

< 0.0X

Solvency ratio

> 30%

Dividends

1/3

of net result if capital structure allows



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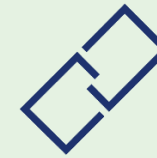
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# Questions & Answers