

# 2015 result in line with expectations

## REVENUE, EUR

2,224m

## ORGANIC GROWTH

3%

## OPERATIONAL EBITDA MARGIN std. metal prices

9.4%

## RoCE

10.1%

## DEBT LEVERAGE

0.5x

OPERATIONAL EBITDA

## EMPLOYEES

8,950



### Financial results below expectations

- Organic growth was flat, while nominal growth was 6%, driven by currency effects and acquisitions
- Operational EBITDA margin decreased to 10.1%, impacted by low growth, delayed effect from investments in sales and service, and delivery issues in 1st half 2015
- Launch of Accelerate business strategy with focus on growth
- Commercial Excellence programme launched in 10 countries, covering 60% of total revenue
- Five acquisitions completed



### Earnings increased due to Products and DRIVE

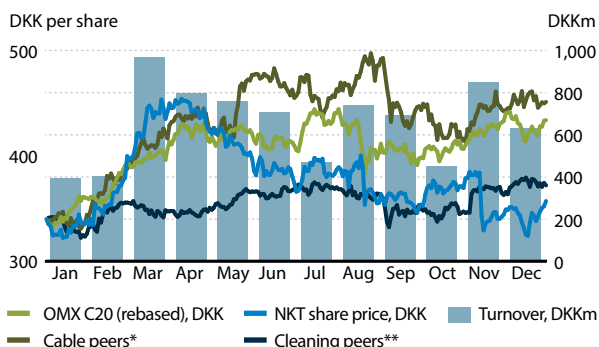
- Organic growth was 4% due to the Projects and Products businesses
- As expected, operational EBITDA margin (std. metal prices) increased to 9.0%, positively impacted by the DRIVE efficiency improvement programme and increased revenue
- The DRIVE annual savings target of EUR 60m was reached one year ahead of schedule
- Launch of EXCELLENCE 2020 business strategy focusing on increased profitability
- Satisfactory backlog for high-voltage offshore power cables



### Earnings increased due to higher product margins

- All segments integrated into one management entity: NKT Photonics
- Organic growth was 9% and operational EBITDA margin increased to 9.6%
- Significant contracts signed with industrial customers
- Launch of business strategy focusing on growth and commercialisation
- Divestment of Fiber Processing business effective 1 September 2015

### NKT share price and turnover 2015



\* NKT Cables peers are: Nexans S.A., Prysmian S.p.A., and General Cable Corp.

\*\* Nilfisk peers are: Husqvarna AB, Stanley Black & Decker, Inc., Tennant Company, and the Toro Company.

### Distribution to shareholders

	DKKm	EURm
Dividend per share: DKK 4	97	13
Share buyback	550	74
<b>Total</b>	<b>647</b>	<b>87</b>

# Long-term value creation

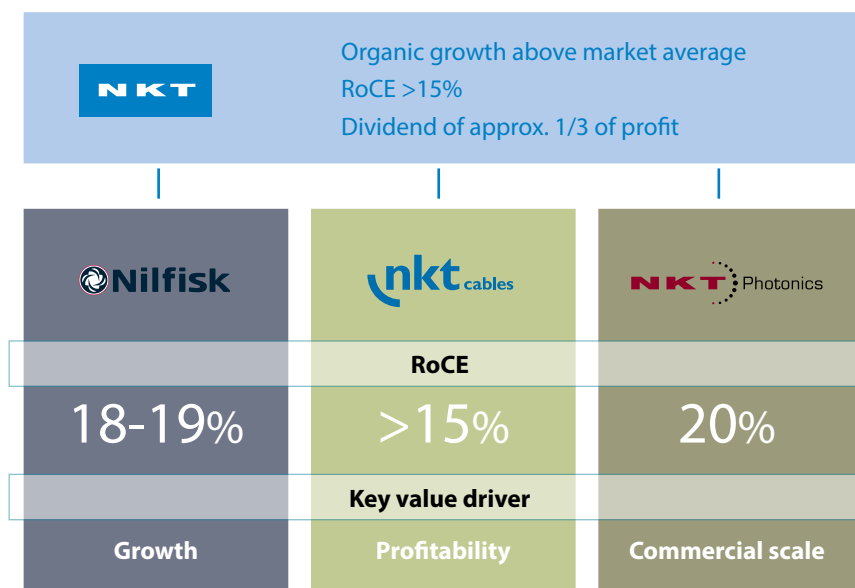
NKT focuses on value creation through long-term, active ownership of its businesses. The foundation is a strong Group with financial solidity to further develop its businesses through e.g. targeted investments and acquisitions.

## NKT's governance structure

In NKT, all business units report to the Board of Directors. This structure ensures an efficient, flexible and transparent decision-making process on a number of strategic and operational matters, including strategic direction, financial results and major investments.

NKT's active ownership is exercised by the Board of Directors through its committees for each of the business units assisted by NKT Group Functions. As an example, monthly meetings are held with the management teams of each business unit where the before-mentioned matters are discussed.

## NKT's long-term strategic targets



## Nilfisk

### REVENUE, EUR

972m

### ORGANIC GROWTH

0%

### OPERATIONAL EBITDA MARGIN

10.1%

### RoCE

12.9%

### Profile

Nilfisk is one of the world's leading manufacturers of professional cleaning equipment. Customers are primarily within the institutional and industrial segment, as well as professional contract cleaners. Nilfisk is headquartered in Denmark and sells its products in more than 100 countries under two global brands, Nilfisk and Viper, and a range of regional and local brands. Nilfisk's production facilities are located in Asia, Europe and the Americas.

### Strategy

Launched at the beginning of 2015, Nilfisk's Accelerate strategy is focused on increased growth and on consolidating the company's leading position through increased market share. Accelerate builds on the previous strategy of becoming Customers' Preferred Choice, and long-term improvements in production footprint and supply chain.

### Key events 2015

- Launch of Accelerate growth strategy
- Nilfisk - new company name and brand position
- Roll-out of Commercial Excellence programme
- Five acquisitions completed

### Long-term financial targets

- Organic growth 2-3% above GDP
- RoCE of 18-19%



#### REVENUE, EUR

1,212m

#### ORGANIC GROWTH

4%

#### OPER. EBITDA MARGIN std. metal prices

9.0%

#### RoCE

8.2%

#### Profile

NKT Cables is a leading global provider of power cables primarily to the energy sector and construction industry and is headquartered in Germany. The products are mainly sold to Europe and China, where NKT Cables' production facilities are also located.

#### Strategy

In autumn 2015, NKT Cables launched the EXCELLENCE 2020 strategy primarily focused on increased profitability. The strategy builds on the DRIVE efficiency improvement programme initiated in 2013 with the aim of increasing value creation. EXCELLENCE 2020 comprises four overall Must-Win Battles and a series of initiatives for the company's segments.

#### Key events 2015

- DRIVE efficiency improvement programme reached EUR 60m savings target
- Launch of EXCELLENCE 2020 strategy
- Two offshore projects won and full capacity utilisation expected well into 2017
- Turnaround initiated in APAC and high-voltage onshore businesses
- Group Management strengthened with two new members

#### Long-term financial targets

- RoCE of >15%
- Become customers' preferred choice
- Achieve an Employee Trust Index of >80



#### REVENUE, EUR

41m

#### ORGANIC GROWTH

9%

#### OPERATIONAL EBITDA MARGIN

9.6%

#### RoCE

0.4%

#### Profile

NKT Photonics is a leading global provider of fiber lasers, photonic crystal fibers and distributed temperature systems (DTS). The products are used in e.g. microscopes and measuring instruments, and applications include optimisation of power cables, fire detection in tunnels, and lasers for cutting in very hard materials. NKT Photonics is headquartered in Denmark and has a global sales and service network.

#### Strategy

NKT Photonics' strategy aims to increase profitable growth and gain commercial scale for the company's products. These targets are to be reached by expanding the current supply of components to include complete solutions, combined with active pursuit of partnerships, joint ventures and acquisitions. These elements will be supported by Lean manufacturing and faster introduction of new products.

#### Key events 2015

- New CEO took office in July
- Significant industrial customer contracts signed
- Redefined business strategy aimed at growth and commercialisation
- Fiber Processing operations divested

#### Long-term financial targets

- Annual organic growth of >10%
- RoCE ~20%

# 5-year financial highlights

Amounts in EURm	2015	2014	2013	2012	2011
<b>Income statement</b>					
Revenue	2,223.6	2,129.4	2,122.0	2,047.4	2,094.5
Revenue in std. metal prices <sup>1)</sup>	1,869.2	1,769.2	1,723.9	1,630.6	1,631.0
Operational earnings before interest, tax, depreciation and amortisation (Oper. EBITDA) <sup>2)</sup>	175.2	170.5	145.6	139.5	117.9
Earnings before interest, tax, depreciation and amortisation (EBITDA)	152.0	142.6	148.1	135.4	113.4
Depreciation and impairment of property, plant and equipment	-85.1	-49.0	-54.4	-48.3	-53.4
Amortisation and impairment of intangible assets	-32.7	-25.8	-25.5	-23.6	-21.6
Operational earnings before interest and tax (Oper. EBIT) <sup>3)</sup>	97.9	96.1	73.9	68.7	43.2
Earnings before interest and tax (EBIT)	34.2	67.8	68.2	63.5	38.4
Financial items, net	-6.1	-13.1	-21.5	-26.3	-37.6
Earnings before tax (EBT)	28.1	54.7	46.7	37.2	0.8
Profit for the year from continuing operations	1.2	37.9	34.0	26.3	1.1
Profit for the year from discontinued operation	0.0	0.0	0.0	189.3	16.0
Profit for the year	1.2	37.9	34.0	215.6	17.0
Profit attributable to equity holders of NKT Holding A/S	1.0	37.9	33.8	215.3	16.8
<b>Cash flow</b>					
Cash flow from operating activities of continuing operations	173.2	212.4	73.2	150.6	76.8
Cash flow from investing activities of continuing operations hereof investments in property, plant and equipment	-87.9	-49.7	-93.2	-71.4	-107.1
Free cash flow	85.3	162.7	-20.0	79.2	-30.2
<b>Balance sheet</b>					
Share capital	64.9	64.2	64.3	64.2	63.8
Equity attributable to equity holders of NKT Holding A/S	808.6	801.2	760.7	769.1	545.0
Non-controlling interest	0.9	0.8	0.9	0.9	0.8
Group equity	809.5	802.0	761.6	770.1	545.8
Total assets	1,683.6	1,655.9	1,744.3	1,736.4	1,803.9
Net interest-bearing debt <sup>4)</sup>	88.9	152.4	283.4	256.2	594.5
Capital employed <sup>5)</sup>	898.4	954.4	1,045.0	1,026.3	1,140.4
Working capital <sup>6)</sup>	269.2	300.6	377.5	323.4	367.8
<b>Financial ratios and employees</b>					
Operational EBITDA margin (std. metal prices)	9.4%	9.6%	8.4%	8.6%	7.2%
Gearing (net interest-bearing debt as % of Group equity)	11%	19%	37%	33%	109%
Net interest-bearing debt relative to oper. EBITDA <sup>7)</sup>	0.5	0.9	1.9	1.8	4.3
Solvency ratio (equity as % of total assets) <sup>8)</sup>	48%	48%	44%	44%	30%
Return on capital employed (RoCE) <sup>9)</sup>	10.1%	9.4%	6.7%	6.2%	5.5%
Number of DKK 20 shares ('000)	24,186	23,934	23,930	23,888	23,738
Earnings continuing oper., EUR, per outstanding share (EPS) <sup>10)</sup>	0.0	1.6	1.4	1.1	0.0
Earnings, EUR, per outstanding share (EPS) <sup>10)</sup>	0.0	1.6	1.4	9.1	0.7
Dividend paid, DKK, per share	4.0	3.5	8.0	2.0	2.0
Equity value, EUR, per outstanding share <sup>11)</sup>	34	34	32	32	23
Market price, DKK, per share	357	332	268	204	191
Number of full-time employees, average	8,895	9,078	8,899	8,867	9,038