



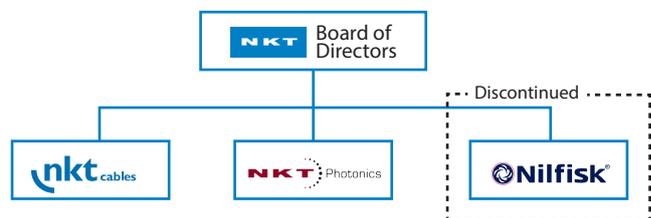
### NKT Cables' acquisition of ABB's high-voltage cables business creates a leading AC/DC power cables company

In September 2016 NKT Cables announced the acquisition of ABB HV Cables, a wholly owned business of the ABB Group, at a total enterprise value of EUR 836m. The acquisition includes a new, cutting-edge cable-laying vessel, expected to be delivered in April 2017. The transaction was closed on 1 March 2017 and thereby makes NKT Cables a leading player within on- and offshore high-voltage cables.

ABB HV Cables is among the leaders within DC high-voltage power cables, a position which now allows NKT Cables to enter a market with strong growth potential. Combined, the new business will be strongly positioned for both the growing offshore wind industry as well as for the development of the interconnector grid in Europe. In addition, the company has some of the best manufacturing facilities in the industry in Karlskrona, Sweden and in Cologne, Germany. Furthermore, the two companies have a good organisational fit based on a common Nordic and cultural background which is believed to support the integration of a total of approx. 3,800 employees.

### Intention to split NKT Holding

At the same time - and as a consequence of the acquisition of ABB's high-voltage business - NKT announced the intention to split NKT Holding into two separately listed entities; Nilfisk and NKT (NKT Cables and NKT Photonics). Both companies are now industry leaders within professional cleaning equipment and power cables, respectively, and are seen to be strong enough to be viable standalone, listed entities. At the Annual General Meeting on 21 April 2017, the Board of Directors seeks the mandate to prepare for and, subject to any statutory requirements, execute a split of NKT Holding.



Due to the intended split of NKT Holding, Nilfisk is considered as discontinued business in the 2016 Annual Report.

### NKT 2016 key financials

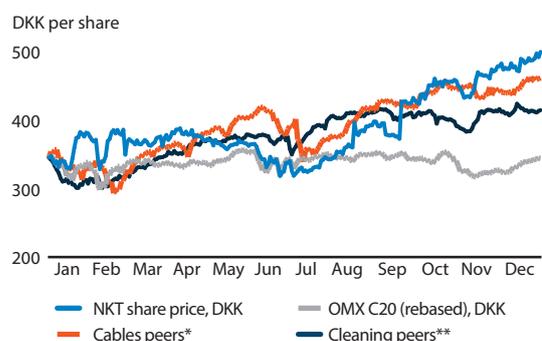
EURm	NKT Cables	NKT Photonics	Nilfisk**
Revenue	1,003.7	43.1	1,058.5
Organic growth	-10%	7%	3%
Operational EBITDA	72.5	6.3	116.8***
Operational EBITDA margin	9.7%*	14.7%	11.0%***
EBIT	-10.6	1.5	54.0
RoCE	9.3%	4.1%	14.6%

\* Std. metal prices

\*\* Discontinued operation

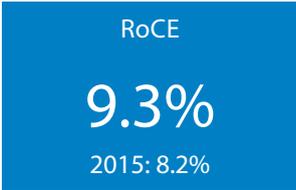
\*\*\* EBITDA before special items

### NKT share price 2016



\* 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 Toro Company



**Profile**

After the acquisition of ABB HV Cables, NKT Cables is a leading international provider of AC/DC power cables primarily to the energy sector and construction industry. The company has dual headquarters in Denmark and Germany, and has approx. 3,800 employees. The products are mainly sold in Europe where NKT Cables' production facilities are also located.

**Long-term strategic targets**

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

**2016 key events**

- Acquisition of ABB's high-voltage cables business to create a leading AC and DC high-voltage power cables company
- Divestment of three non-strategic business segments: The Automotive business in the Czech Republic, all operations in China and the cabinets business in Germany
- Three new offshore high-voltage cables contracts secured, filling the order book until end-2018
- EXCELLENCE 2020 strategy: Launch of new organisational structure to further drive efficiency and functional excellence



**Profile**

NKT Photonics is a leading global provider of fiber lasers, photonic crystal fibers and distributed temperature systems (DTS). NKT Photonics is headquartered in Denmark and has a global sales and service network as well as 240 employees.

**Long-term strategic targets**

- Annual organic growth ~10%
- EBIT margin ~15%
- RoCE ~20%

**2016 key events**

- Acquisition of Fianium - a significant step towards becoming a leading industrial supplier
- Integration of the LIOS business into NKT Photonics
- Significant contracts with major, industrial customers

\* Revenue calculated in std. metal prices

## NKT 5-YEAR FINANCIAL HIGHLIGHTS

Amounts in EURm	2016	2015	2014	2013	2012
<b>Income statement</b>					
Revenue	1,046.1	1,252.1	1,211.8	1,241.3	1,176.1
Revenue in std. metal prices <sup>1)</sup>	792.8	897.7	851.6	843.2	759.3
Operational earnings before interest, tax, depreciation and amortisation (Oper. EBITDA) <sup>3)</sup>	74.9	77.3	63.1	41.5	35.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)	27.9	54.1	22.3	44.0	35.8
Depreciation and impairment of property, plant and equipment	-33.0	-72.3	-37.7	-43.0	-36.3
Amortisation and impairment of intangible assets	-8.6	-11.3	-7.2	-8.0	-5.2
Operational earnings before interest and tax (Oper. EBIT) <sup>4)</sup>	33.3	34.2	18.6	-1.8	-5.7
Earnings before interest and tax (EBIT)	-13.7	-29.5	-22.6	-7.0	-5.7
Financial items, net	5.7	1.8	-2.8	-6.6	-11.3
Earnings before tax (EBT)	-8.0	-27.7	-25.4	-13.6	-17.0
Profit for the year from continuing operations	-17.5	-40.5	-20.2	-11.1	-14.1
Profit for the year from discontinued operations	29.6	41.7	58.1	45.1	229.7
Profit for the year	12.1	1.2	37.9	34.0	215.6
Profit attributable to equity holders of NKT Holding A/S	12.1	1.0	37.9	33.8	215.3
<b>Cash flow</b>					
Cash flow from operating activities	153.9	173.2	212.4	73.2	150.6
Cash flow from investing activities	-132.0	-87.9	-49.7	-93.2	192.5
- hereof investments in property, plant and equipment	-40.7	-39.0	-32.6	-34.4	-48.9
Free cash flow	21.9	85.3	162.7	-20.0	343.1
<b>Balance sheet</b>					
Share capital	72.0	64.9	64.2	64.3	64.2
Equity attributable to equity holders of NKT Holding A/S	951.4	808.6	801.2	760.7	769.1
Non-controlling interest	0.0	0.9	0.8	0.9	0.9
Group equity	951.4	809.5	802.0	761.6	770.1
Total assets	1,747.1	1,683.6	1,656.1	1,744.3	1,736.4
Net interest-bearing debt <sup>5)</sup>	-68.4	88.9	152.4	283.4	256.2
Capital employed <sup>6)</sup>	883.0	898.4	954.4	1,045.0	1,026.3
Working capital <sup>7)</sup>	217.0	269.2	301.0	377.5	323.4
<b>Financial ratios and employees</b>					
Operational EBITDA margin, continuing operations (std. metal prices)	9.4%	8.6%	7.4%	4.9%	4.7%
Gearing (net interest-bearing debt as % of Group equity)	-7%	11%	19%	37%	33%
Net interest-bearing debt relative to oper. EBITDA <sup>8)</sup>	-0.4	0.5	0.9	1.9	1.8
Solvency ratio (equity as % of total assets) <sup>9)</sup>	54%	48%	48%	44%	44%
Return on capital employed (RoCE) <sup>10)</sup>	11.7%	10.1%	9.4%	6.7%	6.2%
Number of DKK 20 shares ('000)	26,835	24,186	23,934	23,930	23,888
Earnings continuing oper., EUR, per outstanding share (EPS) <sup>11)</sup>	-0.7	-1.7	-0.8	-0.5	-0.6
Earnings, EUR, per outstanding share (EPS) <sup>11)</sup>	0.5	0.0	1.6	1.4	9.1
Dividend paid, DKK, per share	4.0	4.0	3.5	8.0	2.0
Equity value, EUR, per outstanding share <sup>12)</sup>	35	34	34	32	32
Market price, DKK, per share	499	357	332	268	204
Average number of employees	8,958	8,895	9,078	8,899	8,867

1) - 12) Definitions appear in Note 8.5 to the consolidated financial statements in the NKT 2016 Annual Report.

Due to the intended split of NKT Holding, Nilfisk is treated as discontinued operations in the NKT 2016 Annual Report, which focuses on NKT's continuing business, comprising NKT Cables and NKT Photonics. Nilfisk's financial performance is presented on page 4 in this flyer as well as on pages 36 (full-year 2016) and 38 (Q4 2016) in the NKT 2016 Annual Report.

For details, please consult the Nilfisk 2016 Annual Report at [www.nilfisk.com](http://www.nilfisk.com). The treatment of Nilfisk as discontinued operations is in accordance with IFRS and affects the above-mentioned accordingly:

**Income Statement** - Nilfisk figures are excluded in 2016 and comparative figures are adjusted accordingly.

**Cash flow** - Include discontinued business.

**Balance Sheet** - Nilfisk items are classified as assets held for distribution to owners at 31 December 2016. The 2015 Balance Sheet is unchanged. Key figures such as RoCE and NIBD leverage include discontinued operations. Full specification of Nilfisk's Income and Balance Sheet statements is presented in Note 9.2 to the NKT 2016 Annual Report.


**REVENUE, EUR**
**1,059m**

2015: EUR 980m

**ORGANIC GROWTH**
**3%**

2015: 0%

**EBITDA MARGIN  
BEFORE SPECIAL ITEMS**
**11.0%**

2015: 10.0%

**RoCE**
**14.6%**

2015: 12.9%

**Profile**

Nilfisk is one of the world's leading manufacturers of professional cleaning equipment primarily sold within the institutional and industrial segment, as well as to professional contract cleaners. Nilfisk is headquartered in Denmark and has approx. 5,600 employees. Products are sold in more than 100 countries and are manufactured in Asia, Europe and the Americas.

**Long-term strategic targets**

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

**2016 key events**

- Introduction of new organisational structure and business model to secure growth ambitions and a cost savings programme with EUR 35m impact by 2019
- Launch of the Horizon programme - a series of innovative automated cleaning machines
- Introduction of 34 new products
- New warehouse facilities in EMEA for faster delivery of spare parts

**Nilfisk - 5-year financial highlights**

EURm	2016	2015	2014	2013	2012
<b>Income statement</b>					
Revenue	1,058.5	980.0	917.6	880.7	871.2
EBITDA before special items	116.8	98.0	107.3	104.4	103.8
EBITDA	96.8	98.0	120.2	104.4	99.8
EBIT before special items	75.8	63.8	77.4	75.8	73.5
EBIT	54.0	63.8	90.3	75.8	69.4
Special items	-21.8	0.0	12.9	0.0	-4.0
Financial items, net	-11.0	-7.9	-10.3	-14.8	-15.0
Profit for the year	29.5	41.8	58.1	45.2	40.3
<b>Cash flow</b>					
Cash flow from operating activities	114.7	59.8	75.7	67.1	89.4
Cash flow from investing activities	-72.6	-67.5	-19	-31.3	-31.8
- Hereof investments in property, plant and equipment	-20.6	-21.7	-13.7	-11.1	-13.2
Free cash flow, excluding acquisitions and divestments	74.2	19.8	45.7	39.5	57.3
<b>Balance sheet</b>					
Total assets	983.1	935.5	862.3	802.2	819.8
Total equity	224.8	200.7	334.8	286.6	266.1
Working capital	141.7	173.3	159.7	146.6	139.5
Capital employed	490.6	501.6	440.7	411.7	411.6
<b>Financial ratios and employees</b>					
Organic revenue growth	3%	0%	6%	3%	0%
EBITDA margin before special items	11.0%	10.0%	11.7%	11.9%	11.9%
EBIT margin before special items	7.2%	6.5%	8.4%	8.6%	8.4%
EBITDA margin	9.1%	10.0%	13.1%	11.9%	11.5%
EBIT margin	5.1%	6.5%	9.8%	8.6%	8.0%
Overhead costs ratio	33.3%	33.7%	32.1%	31.8%	32.9%
Return on capital employed (RoCE)	14.6%	12.9%	17.6%	17.5%	16.9%
Number of full-time employees, year-end	5,607	5,545	5,420	5,321	5,224

Definitions appear in note 8.6 to the consolidated financial statements in Nilfisks 2016 Annual Report.

See note 1.1 in Nilfisk 2016 Annual Report to the financial statements for a description of a reclassification made to 2015 figures.