

# Interim Report

Q1 2019

# NKT

*Power to life since 1891*

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# Key messages

## Q1 2019

The financial results for the NKT A/S group were in line with expectations in Q1 2019. The power cable business, NKT, was impacted by low level of activity in Solutions and higher activity level in Applications, while NKT Photonics maintained its growth momentum.

In March 2019, it was announced that Alexander Kara, a senior power industry executive, has been appointed CEO of NKT A/S. Alexander Kara has held several key positions at ABB since 1987 and joins NKT A/S on 1 August 2019.

In order to accelerate improvements in Applications, the current head of Service & Accessories has been appointed as new head of Applications.

No significant high-voltage power cable projects were awarded to NKT in Q1 2019, which was as expected, but there has been continued tender activity in the market.

At end-Q1 2019, net interest-bearing debt relative to operational EBITDA increased to 5.4x excluding the impact of IFRS 16 (5.9x when included). This development was as expected and NKT A/S has sufficient financial headroom to manage the lower level of activity expected in 2019.

### 2019 financial outlook

The current-year financial outlooks for NKT and NKT Photonics are unchanged from Company Announcement No. 2 of 28 February 2019.

For NKT, revenue (std. metal prices) is still expected to be approx. EUR 0.9–1.0bn. The operational EBITDA is still expected to be approx. EUR 10–30m.

For NKT Photonics, revenue is still expected to grow by approx. 15–20% organically. The EBITDA margin is still expected to increase to approx. 15–20%.

Amounts in EURm	NKT		NKT Photonics	
	Q1 2019	Q1 2018	Q1 2019	Q1 2018
Revenue	279.8	351.1	14.5	12.4
Revenue in std.metal prices	205.4	254.5	14.5	12.4
Organic growth	-16%	7%	17%	18%
Operational EBITDA	-2.4	20.4	-0.4	-1.5
Operational EBITDA margin*	-1.2%	8.0%	-2.7%	-12.1%
Working capital	24.8	28.7	26.6	19.6
Working capital % of revenue, LTM	1.7%	-2.4%	32.5%	31.4%
RoCE**	-2.9%	5.3%	2.2%	-2.6%

\* Std. metal prices

\*\* RoCE is calculated on Operational EBIT, LTM, as a percentage of average capital employed as defined in Note 5 on page 26



# 205.4m

## Revenue (std. metal prices), EUR

Down from EUR 254.5m in Q1 2018. The decrease was primarily the result of the expected lower activity at the factory in Karlskrona, which impacted Solutions negatively

# -16%

## Organic growth

For Solutions, organic growth in Q1 2019 was -29% due to low activity. The organic growth for Applications and Service & Accessories was 3% and -18%, respectively

# -2.4m

## Operational EBITDA, EUR

Down from EUR 20.4m in Q1 2018. The low activity level in Solutions also impacted earnings negatively, while profitability in Applications improved slightly, but remained unsatisfactorily low

# 1.10bn

## High-voltage order backlog, EUR

The level was largely unchanged from end-2018. NKT was awarded a number of smaller orders but as expected no significant projects in Q1 2019



# 14.5m

## Revenue, EUR

Up by EUR 2.1m from Q1 2018 driven by strong growth in the Imaging & Metrology segment based on NKT Photonics supercontinuum white light lasers

# 17%

## Organic growth

Growth momentum from 2018 was maintained, where organic growth was 16%

# -0.4m

## EBITDA, EUR

Increased by EUR 1.1m compared to Q1 2018, mainly due to the higher revenue. Q1 is seasonally a relatively small quarter for NKT Photonics

# 7%

## Order intake growth

The absolute order intake was firmly above revenue in the quarter adding to the order backlog that already includes several projects

# Financial review

**The financial performance in Q1 2019 for the NKT power cable business was in line with expectations, reflecting a low level of activity in Solutions. Organic growth was -16%. Earnings were down against Q1 2018, driven mainly by Solutions and partly by lower offshore repair activity in Service & Accessories. However, the cash flow was up compared to the same period in 2018 when a significant change in working capital impacted cash flow negatively.**

## Revenue impacted by lower activity in Solutions

The revenue\* in Q1 2019 amounted to EUR 205.4m, compared to EUR 254.5m in Q1 2018. The decrease was primarily due to low level of activity in Solutions. Revenue was also impacted negatively by the depreciation of SEK against EUR and by the divestment of the railway activities on 1 February 2019.

The revenue (measured in current metal prices) was EUR 279.8m in Q1 2019, against EUR 351.1m in the same period of 2018.

## Operational EBITDA lower than Q1 2018

As a result of the expected lower level of activity in Solutions, the operational EBITDA decreased to EUR -2.4m in Q1 2019 from EUR 20.4m in Q1 2018. The lower level of activity was attributable to the high-voltage factory in Karlskrona, where average project margins and capacity utilization were lower than the previous year. Additionally, profitability in the Service business declined due to less offshore repair activity.

The implementation of IFRS 16 increased operational EBITDA by EUR 1.1m in Q1 2019.

In Q1 2019, the operational EBITDA margin\* was -1.2%, against 8.0% in Q1 2018. On a LTM basis the operational EBITDA margin\* was 4.6%, which was 1.9%-points down from end-2018.

The divestment of the railway activities led to an accounting gain of EUR 6.4m in Q1 2019 resulting in total one-off items of an income of EUR 3.0m.

The gain more than offset one-off costs of EUR 3.4m related to implementation of strategic initiatives, primarily production efficiency programmes.

## Key financials

Amounts in EURm	Q1 2019	Q1 2018	FY 2018
<b>Income statement</b>			
Revenue	279.8	351.1	1,434.6
Revenue in std. metal prices	205.4	254.5	1,080.1
Operational EBITDA	-2.4	20.4	70.2
EBITDA	0.6	17.3	40.8
Depreciations and amortisations	-20.6	-19.8	-79.4
Operational EBIT	-23.0	0.6	-9.2
EBIT	-20.0	-2.5	-38.6
Financial items, net	-1.8	-1.9	-7.7
EBT	-21.8	-4.4	-46.3
Tax	5.0	1.9	-2.0
Profit for the year	-16.8	-2.5	-48.3
<b>Cash flow</b>			
Cash flow from operating activities	-51.8	-131.8	-46.3
Cash flow from investing activities excl. acq. & div.	-6.4	-8.7	-49.1
Free cash flow	-58.2	-140.5	-95.4
<b>Balance sheet</b>			
Capital employed	1,113.5	1,140.5	1,065.3
Working capital	24.8	28.7	-16.2
<b>Financial ratios and employees</b>			
Organic growth	-16%	7%	0%
Operational EBITDA margin*	-1.2%	8.0%	6.5%
RoCE	-2.9%	5.3%	-0.8%
Full-time employees, end of period	3,342	3,393	3,419

\* Std. metal prices

The cost programme launched in February 2019 had a limited impact on earnings in Q1 2019. The reduction of the white-collar organization will mainly take place from Q2 2019.

### Working capital up driven by Solutions

The working capital at end-Q1 2019 amounted to EUR 24.8m, EUR 41.0m higher than at end-2018, but it was down by EUR 3.9m against end-Q1 2018. The increase in Q1 2019 was mainly driven by Solutions, where working capital was up driven by timing of milestone payments and no significant prepayments from project awards. In Applications, working capital was build up to a high level ahead of the seasonally big quarters Q2 and Q3. The working capital level for NKT is not expected to be higher at end-2019.

The working capital ratio, LTM, was 1.7% at the end-Q1 2019. This was 1.9%-points higher than at end-2018.

### Cash flow mainly driven by working capital development

The free cash flow generated in Q1 2019 amounted to EUR -58.2m, which was EUR 82.3m higher than for the same period of 2018 when a significant change in working capital impacted cash flow negatively. The cash flow from investing activities, excluding acquisitions and divestments, was EUR -6.4m in Q1 2019, lower than EUR -8.7m in the same period of 2018.

### RoCE decreased due to earnings development

Lower earnings and higher working capital reduced RoCE to -2.9% at end-Q1 2019 from -0.8% at end-2018.

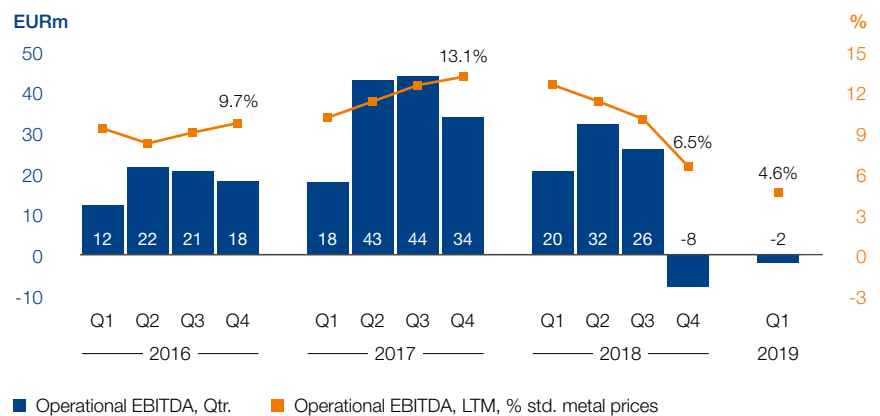
## Revenue development and organic growth

### Amounts in EURm

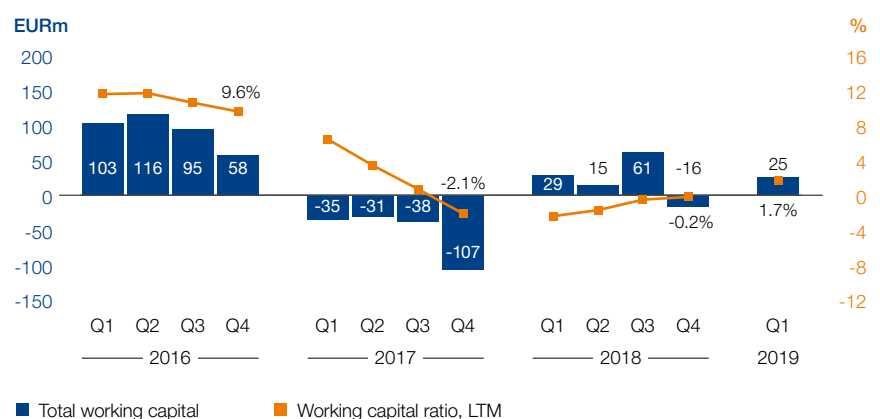
Q1 2018 revenue*	254.5
Currency effect	-5.9
Acquisitions	0.0
Divestments and reclassifications	-3.2
Q1 2018 adjusted revenue*	245.4
Organic growth	-40.0
Q1 2019 revenue*	205.4
Organic growth %	-16%

\* Std. metal prices

## Operational EBITDA



## Working capital



# Business Lines

## Q1 2019 Reviews

**The segment reporting structure for NKT comprises three business lines:**

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### **Solutions**

This business line includes high-voltage power cable solutions. NKT provides a broad range of solutions for onshore and offshore purposes and can supply both AC and DC power cables. Supported by its cable-laying vessel, NKT Victoria, NKT can offer customers end-to-end turnkey solutions including full installation services.

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### **Applications**

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

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### **Service & Accessories**

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

# Business review

## – Solutions

# 92m

**Revenue\*, EUR**  
(Q1 2018: EUR 140m)

# -29%

**Organic growth**  
(Q1 2018: 6%)

# 0.4m

**Operational EBITDA, EUR**  
(Q1 2018: EUR 18.7m)

### Highlights – Solutions

- Q1 2019 financial development in line with expectations
- As expected no significant project awards received in Q1 2019, but continued tender activity in the high-voltage power cable market
- Low activity at the factory in Karlskrona impacted operational EBITDA negatively

### Low activity in Karlskrona as expected

Q1 2019 revenue for Solutions was down compared to Q1 2018, mainly due to low activity at the factory in Karlskrona. Consequently, the organic growth in Q1 2019 was -29%. This development was expected following the relatively low level of high-voltage projects awarded to NKT and made available to the market during 2017 and 2018.

Revenue\* was negatively impacted by EUR 4.6m compared to Q1 2018 as some minor activities in Solutions were organizationally moved to Service & Accessories from Q2 2018.

In Q1 2019, revenue (measured in market prices) was EUR 101.7m, compared to EUR 159.6m in Q1 2018.

### Operational EBITDA in line with expectations

As expected, low capacity utilization in Karlskrona and lower average project margins, impacted operational EBITDA negatively by EUR 18.3m in Q1 2019 compared to Q1 2018.

The operational EBITDA margin\* was 0.4% in Q1 2019, against 13.4% in Q1 2018.

### Further progress on existing order backlog

NKT continued production progress on the Borssele Beta, Hornsea 2 and Nordlink projects at its two production sites in Cologne and Karlskrona.

In March 2019, NKT handed over the 163 km long high-voltage cable system that will power the Martin Linge oil and gas field in the North Sea. This power-from-shore solution from NKT will help the field operator, Equinor, save

200,000 tonnes of CO<sub>2</sub> annually once the field is in operation.

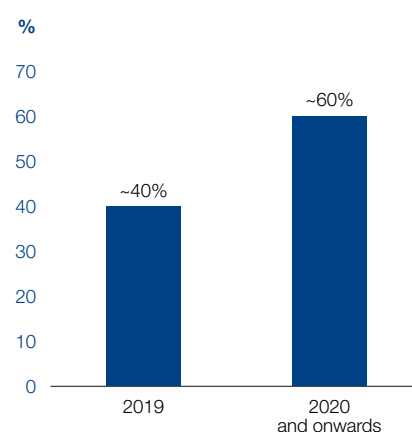
NKT Victoria, the company's cable-laying vessel, was not fully deployed in Q1 2019 as the start of the year is the seasonally weak winter period for offshore installation.

Conditions for the high-voltage AC onshore market remained challenging, with continued imbalance between supply and demand. During Q1 2019, the order intake for NKT in this market improved compared to the run rate in 2018.

### Order backlog of EUR 1.1bn

At the end of the quarter, the high-voltage order backlog amounted to EUR 1.1bn (EUR 0.92m in std. metal prices), which was largely unchanged from end-2018 as NKT was awarded a number of smaller orders in Q1 2019. NKT estimates that around 40% of the backlog will be realized in 2019 and the remaining approximately 60% in 2020 and beyond.

### Expected revenue distribution of high-voltage order backlog (EUR 1.1bn) at end-Q1 2019



\* Std. metal prices

**Tender activity continued but no significant project awards in Q1 2019**

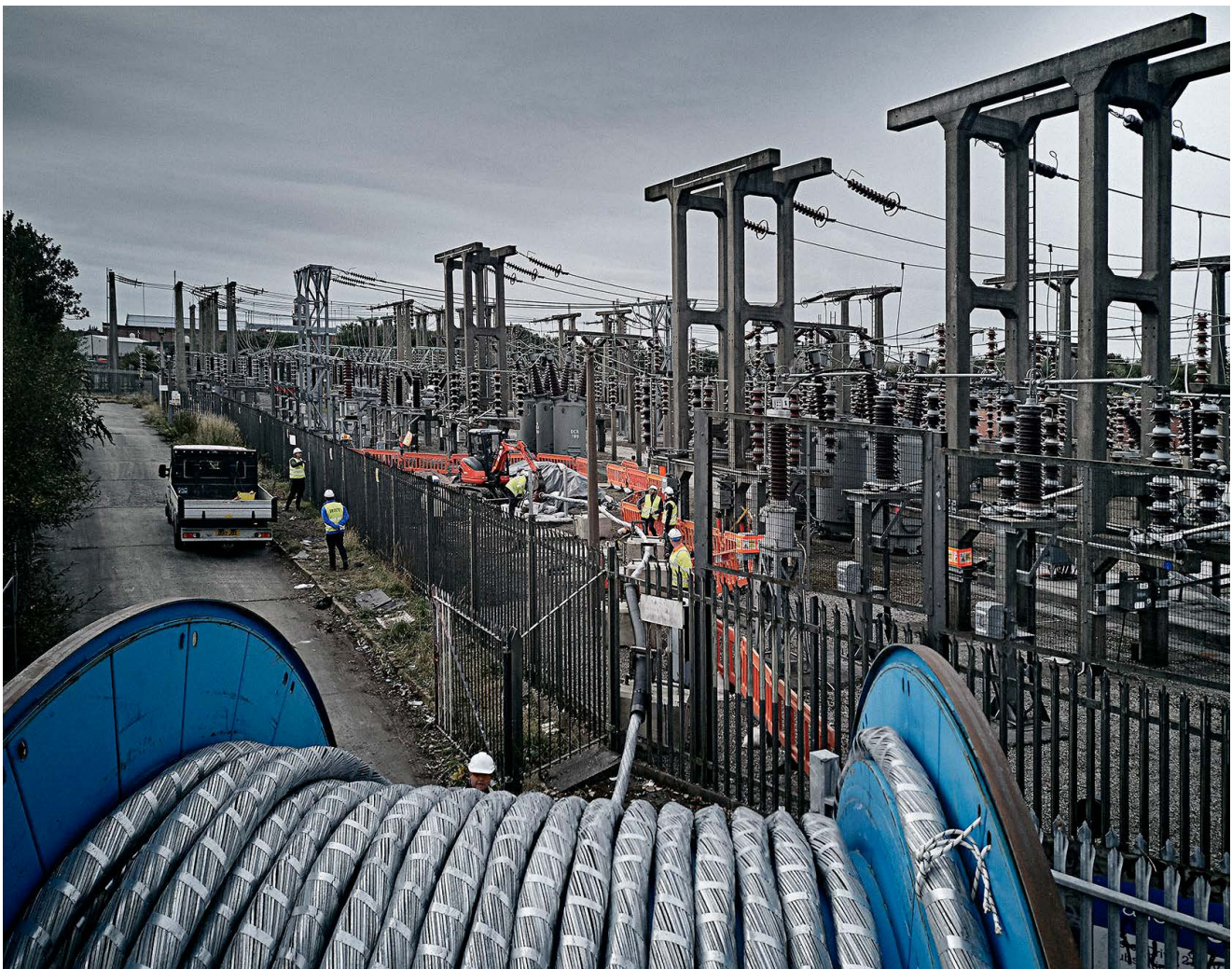
Several high-voltage power cable projects were awarded in the market during 2nd half 2018, and although no significant project awards took place in Q1 2019, NKT still views the market outlook as attractive in the medium to long-term.

There has been continued progress on several tenders across geographies and market segments. The main

financial impact of the potential project awards will be realized from 2020 and beyond. In order for NKT to achieve optimal production and installation flow and thereby improve earnings, high utilization across the different production phases in the factories is required. It will take several quarters for NKT to reach satisfactory capacity utilization across the production and installation phases.

Although the timing of future project awards, particularly in the

interconnector market, is subject to uncertainty, these anticipated awards are expected to make the supply and demand situation for cable manufacturers more favourable.





# Business review

## – Applications

# 92m

**Revenue\*, EUR**  
(Q1 2018: EUR 92m)

# 3%

**Organic growth**  
(Q1 2018: 4%)

# 0.1m

**Operational EBITDA, EUR**  
(Q1 2018: EUR -0.5m)

### Flat revenue development

Revenues\* were EUR 91.7m in Q1 2019, on par with the same period 2018. The organic growth was 3%, but currency changes, especially the depreciation of SEK against EUR, adversely impacted revenue.

The revenue (measured in market prices) amounted to EUR 156.0m in Q1 2019, against EUR 163.4m in Q1 2018.

### Operational EBITDA increased

In Q1 2019, the operational EBITDA for Applications increased by EUR 0.6m compared to Q1 2018 driven by a higher gross margin. Despite the slight increase in profitability, earnings remained unsatisfactory.

After the decrease in profitability during 2018, NKT is adopting a more focused approach in 2019, with focus on less, but effective initiatives and make them work one by one with measurable impact on earnings. The positive effects are expected to materialize over the course of 2019.

An important initiative in 2019 is the roll-out of a uniform production IT platform. As planned, the first roll-out phase started in Q1 2019 including the operations in the Scandinavian countries. This roll-out did as anticipated impact performance slightly negative in these countries. NKT will maintain full focus in the coming months on ensuring a satisfactory implementation and continue the roll-out in Central and Eastern Europe.

### New head of Applications appointed

In order to accelerate improvements, Oliver Schlodder, currently head of Service & Accessories, was appointed head of Applications in April 2019. He has been with NKT since 2013.

As part of this reorganization, the Applications business line will also include manufacturing and supply chain responsibilities in the low- and medium-voltage segments. This setup aims to ensure control of the full value chain at the appropriate organizational level.

### Eastern Europe drove Q1 2019 growth

The positive organic growth in Q1 2019 was mainly driven by the Eastern European countries with solid growth in the Czech Republic, mainly in the medium-voltage segment. The market in Poland also showed positive development, and NKT is gaining traction with, among other things, its Qaddy drum trolley, which has also been successful in Scandinavian markets.

Performance in Sweden and Denmark was temporarily negatively impacted by implementation of the upgraded IT platform. The market conditions were positive, but the construction sentiment in the Swedish market slowed down compared to the solid development in previous years.

As in 2018, the German market remained competitive. However, the medium-voltage market has started to develop more positively.

### Strengthened medium-voltage portfolio

NKT is currently launching a new and improved version of AXAL-TT, a key power cable product for the Swedish medium-voltage market. The product upgrade places NKT at the forefront of offerings for utility companies in Sweden. Among other benefits, the power cable can be installed in the most challenging environments and is fast and easy to install.

### Highlights – Applications

- Profitability in Q1 2019 unsatisfactory but in line with expectations
- Organic growth driven by Eastern Europe
- New head of Applications appointed to accelerate improvements

\* Std. metal prices

# Business review

## – Service & Accessories

# 25m

**Revenue\*, EUR**  
(Q1 2018: EUR 30m)

# -18%

**Organic growth**  
(Q1 2018: 26%)

# 2.3m

**Operational EBITDA, EUR**  
(Q1 2018: EUR 5.8m)

### Highlights – Service & Accessories

- Satisfactory financial results in Q1 2019
- Strong growth in Accessories driven by the medium-voltage segment
- No large offshore cable repairs were conducted during the quarter

### Revenue lower driven by the Service business

The revenue\* for the Service & Accessories business line was down by EUR 5.1m compared to Q1 2018 driven by lower Service activities, which was offsetting strong growth in the Accessories segment. The divested railway activities contributed only one month's revenue\* in Q1 2019, amounting to EUR 1.8m, compared to EUR 4.9m in Q1 2018.

Revenue\* was positively impacted by EUR 4.6m compared to Q1 2018 as some minor activities in Solutions were organizationally moved to Service & Accessories from Q2 2018.

In Q1 2019, the revenue (measured in market prices) amounted to EUR 26.9m, compared to EUR 35.8m in Q1 2018.

### Earnings reflect revenue composition

The operational EBITDA for Service & Accessories amounted to EUR 2.3m in Q1 2019, against EUR 5.8m in Q1 2018. The decrease was due to absence of offshore repair jobs. Therefore, the operational EBITDA margin\* in Q1 2019 was 9.2%, compared to 19.2% in Q1 2018.

Given the composition of revenue between the Service and Accessories segments, the profitability was satisfactory. Fluctuations in earnings and profitability will occur from quarter to quarter, particularly depending on the number of large offshore cable repairs.

### No large offshore repairs in Service business

The activity in the Service segment was moderate in Q1 2019. No significant offshore repairs were executed during

the quarter, but the onshore service business was largely as expected.

NKT is in continued conversations across geographies regarding potential service contracts to secure and build future revenue.

### Strong growth in Accessories business

2019 started positively for the company's Accessories activities, with organic growth driven by an improvement in medium-voltage accessory sales. NKT improved its presence in the Middle East and also performed well in Central Europe.

The medium-voltage accessories are currently mainly produced at the Nordenham factory in Germany. NKT has successfully improved output at this factory, which makes it possible to facilitate the increased demand.

The high-voltage accessory business also grew in Q1 2019, but at a slower pace than medium-voltage. The growth was driven by countries in the Middle East and Asia.

### Railway activities divested

On 1 February 2019, the company divested its railway cable activities to the Swedish company Elcowire Group AB resulting in a one-off accounting gain of EUR 6.4m.

\* Std. metal prices





# NKT Photonics – Financial & Business review

**The financial results for NKT Photonics in Q1 2019 were in line with expectations. The strong momentum from 2018 continued with organic growth of 17% in Q1 2019. The associated operating leverage resulted in an EBITDA increase.**

## Continued strong revenue performance

NKT Photonics continued last year's momentum, generating revenue of EUR 14.5m in Q1 2019, against EUR 12.4m in the same period last year. This corresponded to organic growth of 17%. The positive development was mainly driven by strong growth in the Imaging & Metrology segment, where NKT Photonics among other things enhanced its position in the bio-imaging market with supercontinuum white light lasers.

Geographically, NKT Photonics continued to improve its footprint in the US, which is expected to offer further growth opportunities in the years ahead. The company recently announced the establishment of a facility in Boston.

## EBITDA up by EUR 1.1m

In Q1 2019, EBITDA was EUR -0.4m, compared to EUR -1.5m in Q1 2018 as operating leverage impacted the profitability positively.

The implementation of IFRS 16 increased EBITDA by EUR 0.5m in Q1 2019.

A key priority to support continued company growth is to strengthen and professionalize the sales force, and in Q1 2019 recruitment continued.

At end-Q1 2019, the number of full-time employees was up 20% compared to the same time in 2018.

## Working capital increased

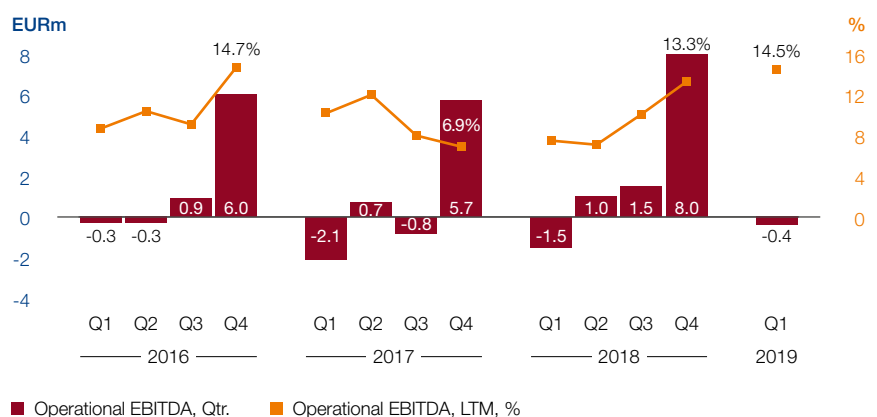
Higher revenues increased the working capital. At end-Q1 2019, the working capital amounted to EUR 26.6m,

## Revenue development and organic growth

### Amounts in EURm

<b>Q1 2018 revenue</b>	<b>12.4</b>
Currency effect	0.0
Acquisitions	0.0
Divestments and reclassifications	0.0
<b>Q1 2018 adjusted revenue</b>	<b>12.4</b>
Organic growth	2.1
<b>Q1 2019 revenue</b>	<b>14.5</b>
<b>Organic growth %</b>	<b>17%</b>

## NKT Photonics EBITDA



up from EUR 24.0m at end-2018. The increase during the quarter was mainly driven by timing of payments from customers. NKT Photonics has launched a number of initiatives to improve working capital management.

### Increased order intake development

NKT Photonics' order intake in Q1 2019 was 7% higher than the same period of 2018. A slowdown in revenue growth is not expected on the back of this as the absolute order intake was firmly above revenue in the quarter and the order backlog already includes several projects. The quarterly order intake can be lumpy depending on the size of project awards.

### Improved customer interest at industry conferences

During Q1 2019, NKT Photonics attended two key annual photonics conferences: Photonics West in the US and Laser World of Photonics China, resulting in an increase in customer leads.

### Key financials

Amounts in EURm	Q1 2019	Q1 2018	FY 2018
<b>Income statement</b>			
Revenue	14.5	12.4	67.7
EBITDA	-0.4	-1.5	9.0
Depreciations and amortisations	-2.2	-1.6	-7.9
EBIT	-2.6	-3.1	1.1
Financial items, net	-0.3	-0.2	-0.3
EBT	-2.9	-3.3	0.8
Tax	0.7	0.8	1.2
Profit for the year	-2.2	-2.5	2.0
<b>Cash flow</b>			
Cash flow from operating activities	-2.8	0.0	4.1
Cash flow from investing activities excl. acq. & div.	-3.2	-0.9	-11.8
Free cash flow	-6.0	-0.9	-7.7
<b>Balance sheet</b>			
Capital employed	93.7	67.1	78.6
Working capital	26.6	19.6	24.0
<b>Financial ratios and employees</b>			
Organic growth	17%	18%	16%
EBITDA margin*	-2.7%	-12.1%	13.3%
RoCE	2.2%	-2.6%	1.6%
Full-time employees, end of period	356	296	349

### Imaging & Metrology

The segment was the primary growth driver in Q1 2019 with broad based contribution from a variety of products. Especially the supercontinuum white light lasers for bio imaging and life science delivered strong growth. Moreover, there was increased demand for white light lasers for industrial quality control, sorting and device characterization. Finally, the semiconductor manufacturing activity continued at a high level.

### Sensing & Energy

In Q1 2019, the revenue was on par with the level in Q1 2018. In contrast to the two other segments, a substantial portion of the revenue in Sensing & Energy comes from large projects. Hence, the timing of these will impact quarterly performance. The general market activity level remained satisfactory during Q1 2019 and was up compared to the same period in 2018.

### Material Processing

The segment delivered double digit organic growth in Q1 2019 compared to the same quarter in 2018. As during 2018, this growth was mainly driven by the industrial and scientific ultrafast laser markets particularly for micromachining and ophthalmology applications.

# Group financials

## Operational EBITDA

In Q1 2019, NKT A/S reported operational EBITDA of EUR -2.8m, against EUR 18.9m in Q1 2018. This was due to lower profitability in NKT, the power cable business. The operational EBITDA margin\* in Q1 2019 was -1.3%, compared to 7.1% for the same period in 2018.

The operational EBITDA, LTM, amounted to EUR 57.6m at end-Q1 2019.

The implementation of IFRS 16 increased operational EBITDA by EUR 1.6m in Q1 2019.

## Financial items and earnings before tax

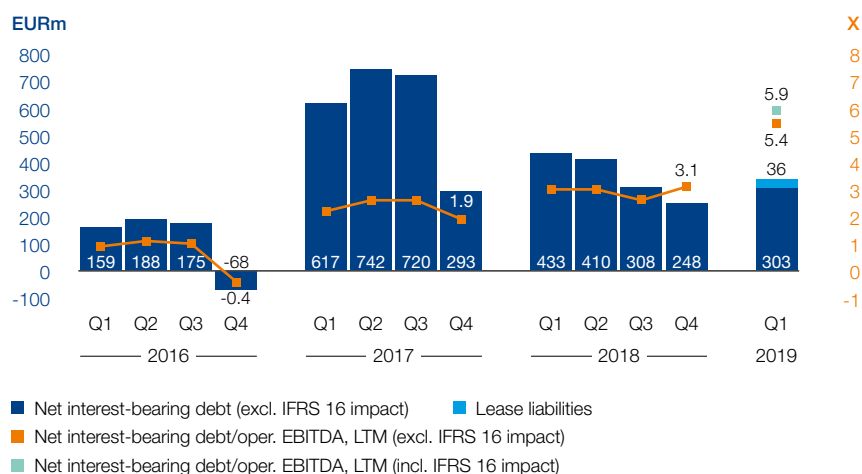
The net financial items amounted to EUR -2.1m in Q1 2019, on par with the same period in 2018. The financial items primarily consisted of interest costs on debt.

The earnings before tax (EBT) amounted to EUR -24.7m in Q1 2019, compared to EUR -7.7m in Q1 2018, the decrease reflecting the drop in operational EBITDA. The reported tax rate in Q1 2019 was 23%.

## Cash flow

The cash flow from operating activities increased to EUR -54.6m in Q1 2019, against EUR -131.8m in Q1 2018, when a significant change in working capital impacted cash flow negatively. The cash flow from investing activities, excluding acquisition and divestment of businesses, was EUR -9.6m in Q1 2019, on par with

## Net interest-bearing debt



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

Q1 2018. The divestment of the railway business contributed positively to the free cash flow with EUR 9.5m.

## Liquidity, debt leverage and equity

At end-Q1 2019, the net interest-bearing debt for NKT A/S amounted to EUR 303.4m excluding the impact of IFRS 16, against EUR 248.3m at end-2018. The increase was due to the negative free cash flow generation. The net interest-bearing debt including the impact of IFRS 16 was EUR 339.0m.

The net interest-bearing debt relative to operational EBITDA amounted to

5.4x at end-Q1 2019 excluding the impact of IFRS 16 (5.9x when included), against 3.1x at end-2018. This development was as expected and NKT A/S has sufficient financial headroom to manage the lower level of activity expected in 2019.

At end-Q1 2019, NKT A/S had total available liquidity reserves of EUR 190.2m, comprising cash of EUR 7.4m and undrawn credit facilities of EUR 182.8m. The equity, which included the hybrid security, amounted to EUR 868.2m. The solvency ratio was 46%, compared to 48% at end-2018.

## Q1 2019 financial development for NKT A/S

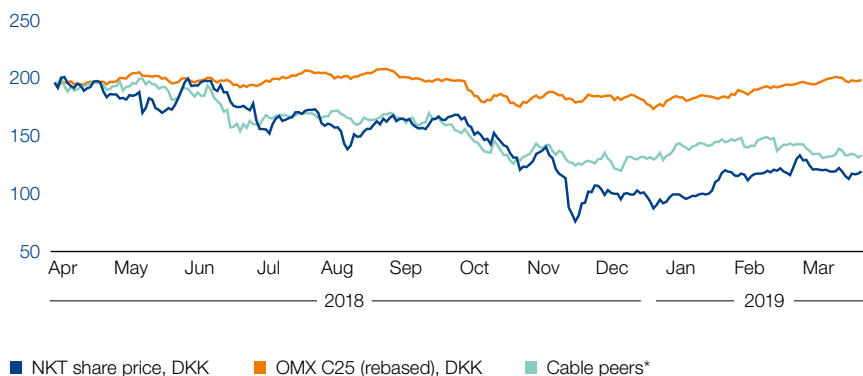
Amounts in EURm	Revenue*			Operational EBITDA			Oper. EBITDA margin*	
	Q1 2019	Q1 2018	Change	Q1 2019	Q1 2018	Change	Q1 2019	Q1 2018
NKT	205.4	254.5	-49.1	-2.4	20.4	-22.8	-1.2%	8.0%
NKT Photonics	14.5	12.4	2.1	-0.4	-1.5	1.1	-2.7%	-12.1%
<b>NKT A/S, incl. continuing oper.</b>	<b>219.9</b>	<b>266.9</b>	<b>-47.0</b>	<b>-2.8</b>	<b>18.9</b>	<b>-21.7</b>	<b>-1.3%</b>	<b>7.1%</b>

\* Std. metal prices

# Shareholder information

## NKT Share price

### DKK per share



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

## NKT A/S shares basic data

**ID code:** DK0010287663

**Listing:** Nasdaq Copenhagen, part of the Mid Cap index

**Share capital:** EUR 73m (DKK 543m)

**Number of shares:** 27.1 million

**Nominal value:** DKK 20

**Share classes:** 1

## NKT A/S shares

The average daily turnover in NKT A/S shares on all trading markets amounted to EUR 3m in Q1 2019, as compared to EUR 14m in Q1 2018. Average daily trading volume was 200,000 shares in Q1 2019, compared to 444,000 in Q1 2018. Nasdaq Copenhagen was the main trading market for the company's shares with 58% of the total traded volume in Q1 2019.

At end-Q1 2019, the NKT A/S share price was DKK 117.90, compared to DKK 88.95 at end-2018, a share price return of 33%. In the same period, the share price returns for the company's largest European competitors, Prysmian and Nexans, were 0% and 11%, respectively. The Danish OMX C25 index increased by 13% in the first three months of 2019.

At end-Q1 2019, four NKT A/S investors had reported shareholdings of between 5.00–9.99%: ATP (Denmark), Ferd AS (Norway), Kirkbi INVEST A/S (Denmark), and Nordea Funds Ltd, Danish Branch (Finland).

The total share capital consists of 27,126,369 shares, each with a nominal value of DKK 20, corresponding to

a total nominal share capital of EUR 72,822,500 (DKK 542,527,380).

## Annual General Meeting 2019

NKT A/S held its Annual General Meeting (AGM) on 21 March 2019. As reported in Company Announcement No. 6 of the same date, all submitted proposals were approved. This included adoption of the 2018 Annual Report, and it was decided that no dividend based on the company's financial results for 2018 would be distributed to shareholders due to focus on achieving the medium-term leverage target (net interest-bearing debt relative to operational EBITDA) of 1.5x.

The six AGM-elected members of the Board of Directors were re-elected: Jens Due Olsen, René Svendsen-Tune, Jens Maaløe, Andreas Nauen, Jutta af Rosenborg, and Lars Sandahl Sørensen. All three employee-elected

## Financial calendar 2019

**15 Aug:** Interim Report, Q2 2019

**21 Nov:** Interim Report, Q3 2019

Board members were elected in 2018: Jack Ejlersen, Stig Nissen Knudsen and Peter Wennevold.

At a subsequent ordinary Board meeting, Jens Due Olsen and René Svendsen-Tune were appointed Chairman and Deputy Chairman. Members of the four committees formed by the Board of Directors were also appointed.



**More shareholder information is available at [investors.nkt.com](https://investors.nkt.com)**

## NKT Committees

Chairmanship	Jens Due Olsen (Chair) and René Svendsen-Tune
Audit	Jutta af Rosenborg (Chair) and Jens Maaløe
Nomination	Lars Sandahl Sørensen (Chair) and Andreas Nauen
Remuneration	Jutta af Rosenborg (Chair) and Jens Maaløe
NKT Photonics	Jens Maaløe (Chair) and Jens Due Olsen

# Group Management's statement

The Board of Directors and the Executive Management Board have today considered and adopted the Interim Report of NKT A/S for the period 1 January – 31 March 2019.

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

In our opinion the Interim Report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2019 and the results of the Group's activities and cash flow for the period 1 January – 31 March 2019.

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

*Brøndby, 16 May 2019*

## Executive Management

Roland M. Andersen  
*Interim CEO and CFO*

## Board of Directors

Jens Due Olsen  
*Chairman*

René Svendsen-Tune  
*Deputy Chairman*

Jack Ejlersen\*

Stig Nissen Knudsen\*

Jens Maaløe

Andreas Nauen

Jutta af Rosenberg

Lars Sandahl Sørensen

Peter Wennevold\*

\* *Employee-elected member*



# Financial Statements

# Income statement

Amounts in EURm	Q1 2019	Q1 2018	Year 2018
Revenue	294.3	363.5	1,501.6
Costs of raw materials, consumables and goods for resale	-200.4	-254.4	-988.6
Staff costs	-66.9	-65.5	-277.8
Other costs etc.	-26.8	-27.8	-185.4
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>0.2</b>	<b>15.8</b>	<b>49.8</b>
Depreciation of property, plant and equipment	-15.9	-16.4	-66.4
Amortization of intangible assets	-5.5	-5.0	-20.9
Depreciation of right-of-use assets	-1.4	0.0	0.0
<b>Earnings before interest and tax (EBIT)</b>	<b>-22.6</b>	<b>-5.6</b>	<b>-37.5</b>
Financial items, net	-2.1	-2.1	-8.0
<b>Earnings before tax (EBT)</b>	<b>-24.7</b>	<b>-7.7</b>	<b>-45.5</b>
Tax	5.7	2.7	-0.8
<b>Profit for the period</b>	<b>-19.0</b>	<b>-5.0</b>	<b>-46.3</b>
To be distributed as follows:			
Profit attributable to equity holders of NKT A/S	-21.0	-5.0	-48.7
Profit attributable to hybrid capital holders of NKT A/S	2.0	0.0	2.4
	<b>-19.0</b>	<b>-5.0</b>	<b>-46.3</b>
Basic & diluted earnings, EUR per outstanding share (EPS)	-0.8	-0.2	-1.8

# Cash flow

Amounts in EURm	Q1 2019	Q1 2018	Year 2018
Earnings before interest, tax, depreciation and amortization (EBITDA)	0.2	15.8	49.8
Non-cash operating items:			
Profit on sales of non-current assets, use and increase of provisions, and other non-cash items etc.	-7.1	-2.9	-10.8
Changes in working capital	-47.9	-134.9	-76.0
Cash flow from operations before financial items, etc.	-54.8	-122.0	-37.0
Net financial items paid	-2.0	-2.3	-8.3
Income tax paid	2.2	-7.5	3.1
<b>Cash flow from operating activities</b>	<b>-54.6</b>	<b>-131.8</b>	<b>-42.2</b>
Divestment of business	9.5	0.0	0.0
Investments in property, plant and equipment	-5.1	-4.9	-28.5
Disposal of property, plant and equipment	0.9	0.0	1.2
Intangible assets and other investments, net	-5.4	-4.7	-33.6
<b>Cash flow from investing activities</b>	<b>-0.1</b>	<b>-9.6</b>	<b>-60.9</b>
<b>Free cash flow</b>	<b>-54.7</b>	<b>-141.4</b>	<b>-103.1</b>
Changes in non-current loans from credit institutions	35.1	32.7	-64.4
Changes in current loans from credit institutions	0.2	93.9	3.5
Repayment of lease liabilities	-1.2	0.0	0.0
Cash from issue of hybrid capital	0.0	0.0	148.3
<b>Cash flow from financing activities</b>	<b>34.1</b>	<b>126.6</b>	<b>87.4</b>
<b>Net cash flow</b>	<b>-20.6</b>	<b>-14.8</b>	<b>-15.7</b>
Cash at bank and in hand at the beginning of the period	28.2	44.7	44.7
Currency adjustments	-0.2	0.1	-0.8
Net cash flow	-20.6	-14.8	-15.7
<b>Cash at bank and in hand at the end of the period</b>	<b>7.4</b>	<b>30.0</b>	<b>28.2</b>

# Balance sheet

Amounts in EURm	31 March 2019	31 March 2018	31 December 2018
<b>Assets</b>			
Intangible assets	584.0	576.6	589.2
Property, plant and equipment	625.5	673.2	645.2
Right-of-use assets	35.4	0.0	0.0
Other non-current assets	37.1	56.3	29.7
<b>Total non-current assets</b>	<b>1,282.0</b>	<b>1,306.1</b>	<b>1,264.1</b>
Inventories	234.9	247.4	219.8
Receivables and income tax	343.4	339.6	347.0
Interest-bearing receivables	0.1	0.2	0.1
Cash at bank and in hand	7.4	30.0	28.2
<b>Total current assets</b>	<b>585.8</b>	<b>617.2</b>	<b>595.1</b>
<b>Total assets</b>	<b>1,867.8</b>	<b>1,923.3</b>	<b>1,859.2</b>
<b>Equity and liabilities</b>			
Equity attributable to equity holders of NKT A/S	713.8	774.9	743.2
Hybrid capital	154.4	0.0	152.4
<b>Group equity</b>	<b>868.2</b>	<b>774.9</b>	<b>895.6</b>
Deferred tax	45.4	55.5	46.3
Pension liabilities	49.9	52.6	49.9
Provisions	16.7	23.6	18.5
Lease liabilities	30.6	0.0	0.0
Interest-bearing loans and borrowings	305.1	456.4	268.4
<b>Total non-current liabilities</b>	<b>447.7</b>	<b>588.1</b>	<b>383.1</b>
Lease liabilities	5.0	0.0	0.0
Interest-bearing loans and borrowings	5.8	6.5	8.2
Trade payables, tax and other liabilities	526.9	538.7	559.1
Provisions	14.2	15.1	13.2
<b>Total current liabilities</b>	<b>551.9</b>	<b>560.3</b>	<b>580.5</b>
<b>Total liabilities</b>	<b>999.6</b>	<b>1,148.4</b>	<b>963.6</b>
<b>Total equity and liabilities</b>	<b>1,867.8</b>	<b>1,923.3</b>	<b>1,859.2</b>

# Comprehensive income and Equity

Amounts in EURm	Q1 2019	Q1 2018	Year 2018
<b>Comprehensive income</b>			
Net profit	-19.0	-5.0	-46.3
Other comprehensive income:			
<i>Items that may not be reclassified to income statement:</i>			
Actuarial gains/(losses) on defined benefit pension plans	0.0	0.0	1.8
<i>Items that may be reclassified to income statement:</i>			
Currency adjustment of foreign subsidiaries and value adjustment of hedging instruments, etc.	-8.4	-36.4	-24.5
<b>Total comprehensive income for the period</b>	<b>-27.4</b>	<b>-41.4</b>	<b>-69.0</b>
<b>Statement of changes in equity</b>			
Group equity, 1 January	895.6	816.3	816.3
Total comprehensive income for the period	-27.4	-41.4	-69.0
Issue of hybrid capital	0.0	0.0	150.0
Costs from issue of hybrid capital	0.0	0.0	-1.7
<b>Group equity at the end of the period</b>	<b>868.2</b>	<b>774.9</b>	<b>895.6</b>

# Notes

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

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

NKT has implemented the standards and interpretations that become effective for 2019. The implementation of standards and interpretations has only had insignificant effect on recognition and measurement in 2019. Please refer to Note 8.3 on page 129 of the 2018 Annual Report with further details.

Regarding accounting estimates, please refer to Note 1.1 on page 79 of the 2018 Annual Report. Regarding risks, please refer to Note 6.5 on page 118 of the 2018 Annual Report and the information contained in the sections on risk management on page 38 and on page 52 of the 2018 Annual Report.

NKT has adopted IFRS 16 Leases using the modified retrospective method from 1 January 2019, where the right-of-use assets equal the lease liabilities.

The lease liability is measured using the implicit borrowing rate in the contracts or, where this is not available, the marginal borrowing rate in the countries in which NKT operates. The weighted average incremental borrowing rate for lease liabilities initially recognized at January 1, 2019 was 4.5%.

Right-of-use assets are presented separately in the balance sheet. NKT's portfolio of capitalized lease contracts covers leases of land and buildings. Other lease contracts are short-term or immaterial.

In Q1 2019 the implementation of IFRS 16 has increased EBITDA with EUR 1.6m, total assets with EUR 35.4m and net interest-bearing debt with EUR 35.6m. Please refer to Note 4 on page 25.

On 2 April 2014 NKT received a fine of EUR 4m following the investigation conducted by the European Commission into alleged price-fixing activities with regard to high-voltage power cable projects, cf. Company Announcement No. 8 2014. While the European Commission assessed that NKT's role had been substantially limited and the fine was considerably smaller than those imposed on other cable manufacturers, NKT disagrees with the Commission's decision and therefore filed an appeal. The European General Court has rejected all appeals against the decision including NKT's appeal. NKT has initiated a further appeal before the European Court of Justice. As a consequence of the Commission's decision, NKT and other power cable producers face exposure to claims for damages in proceedings brought by customers or other third parties. In line with its appeal against the Commission's decision, NKT contests any civil damages claim that is based on this decision.

According to the regulation for financial statements preparation, the Group Management is required to determine whether the interim statement can be presented on a 'going concern' basis. Based on outlook estimates, including examination of the latest 'forecast 2019', and future cash flow expectations, existence of credit facilities, etc., it is the opinion of the Group Management that there are no factors giving rise to doubt as to whether NKT can continue operating for at least 12 months from the balance sheet date. Information concerning Group cash resources and expectations for 2019 are included in the Management's review.

## Note 2 Segment reporting

Amounts in EURm	Q1 2019	Q1 2018	Year 2018
<b>Revenue (market prices)</b>			
NKT – Solutions	101.7	159.6	640.3
NKT – Applications	156.0	163.4	677.4
NKT – Service & Accessories	26.9	35.8	154.2
Elimination of transactions between segments	-4.8	-7.7	-37.3
<b>NKT</b>	<b>279.8</b>	<b>351.1</b>	<b>1,434.6</b>
NKT Photonics	14.5	12.4	67.7
Elimination of transactions between segments	0.0	0.0	-0.7
<b>NKT A/S</b>	<b>294.3</b>	<b>363.5</b>	<b>1,501.6</b>
<b>Revenue (std. metal prices)</b>			
NKT – Solutions	92.2	139.5	577.9
NKT – Applications	91.7	91.7	400.5
NKT – Service & Accessories	25.1	30.2	129.4
Elimination of transactions between segments	-3.6	-6.9	-27.7
<b>NKT</b>	<b>205.4</b>	<b>254.5</b>	<b>1,080.1</b>
NKT Photonics	14.5	12.4	67.7
Elimination of transactions between segments	0.0	0.0	-0.7
<b>NKT A/S</b>	<b>219.9</b>	<b>266.9</b>	<b>1,147.1</b>
<b>Operational EBITDA</b>			
NKT – Solutions	0.4	18.7	62.9
NKT – Applications	0.1	-0.5	5.4
NKT – Service & Accessories	2.3	5.8	15.7
Non-allocated costs	-5.2	-3.6	-13.8
<b>NKT</b>	<b>-2.4</b>	<b>20.4</b>	<b>70.2</b>
NKT Photonics	-0.4	-1.5	9.0
Elimination of transactions between segments	0.0	0.0	0.1
<b>NKT A/S</b>	<b>-2.8</b>	<b>18.9</b>	<b>79.3</b>
One-off items	3.0	-3.1	-29.5
<b>EBITDA</b>			
NKT	0.6	17.3	40.8
NKT Photonics	-0.4	-1.5	9.0
<b>NKT A/S</b>	<b>0.2</b>	<b>15.8</b>	<b>49.8</b>

## Note 2 Segment reporting – continued

Amounts in EURm	Q1 2019	Q1 2018	Year 2018
<b>Operational EBIT</b>			
NKT – Solutions	-15.4	2.5	-0.3
NKT – Applications	-2.7	-3.0	-4.6
NKT – Service & Accessories	1.2	5.1	12.0
Non-allocated costs	-6.1	-4.0	-16.3
<b>NKT</b>	<b>-23.0</b>	<b>0.6</b>	<b>-9.2</b>
NKT Photonics	-2.6	-3.1	1.2
<b>NKT A/S</b>	<b>-25.6</b>	<b>-2.5</b>	<b>-8.0</b>
One-off items	3.0	-3.1	-29.5
<b>EBIT</b>			
NKT	-20.0	-2.5	-38.6
NKT Photonics	-2.6	-3.1	1.1
<b>NKT A/S</b>	<b>-22.6</b>	<b>-5.6</b>	<b>-37.5</b>
<b>Working capital</b>			
NKT – Solutions	-76.5	-32.8	-108.1
NKT – Applications	70.1	50.4	46.4
NKT – Service & Accessories	16.0	15.2	9.7
Non-allocated items	15.2	-4.1	35.8
<b>NKT</b>	<b>24.8</b>	<b>28.7</b>	<b>-16.2</b>
NKT Photonics	26.6	19.6	24.0
Non-allocated items	0.0	0.0	-0.1
<b>NKT A/S</b>	<b>51.4</b>	<b>48.3</b>	<b>7.7</b>



### Note 3 Net interest-bearing debt and working capital

Amounts in EURm	31 March 2019	31 March 2018	31 December 2018
<b>Net interest-bearing debt</b>			
Lease liabilities, non-current	30.6	0.0	0.0
Interest-bearing loans and borrowings, non-current	305.1	456.4	268.4
Lease liabilities, current	5.0	0.0	0.0
Interest-bearing loans and borrowings, current	5.8	6.5	8.2
Interest-bearing receivables	-0.1	-0.2	-0.1
Cash at bank and in hand	-7.4	-30.0	-28.2
<b>Net interest-bearing debt</b>	<b>339.0</b>	<b>432.7</b>	<b>248.3</b>
<b>Working capital</b>			
Inventories	234.9	247.4	219.8
Receivables and income tax	343.4	339.6	347.0
Trade payables, tax and other liabilities	-526.9	-538.7	-559.1
<b>Working capital</b>	<b>51.4</b>	<b>48.3</b>	<b>7.7</b>

### Note 4 IFRS 16

Amounts in EURm	Q1 2019			
	Operational EBITDA	Total assets	Net interest-bearing debt	Net interest-bearing debt relative to oper. EBITDA
<b>Reported figures</b>				
NKT	-2.4			
NKT Photonics	-0.4			
<b>NKT A/S</b>	<b>-2.8</b>	<b>1,867.8</b>	<b>339.0</b>	<b>5.9x</b>
<b>IFRS 16 impact</b>				
NKT	1.1			
NKT Photonics	0.5			
<b>NKT A/S</b>	<b>1.6</b>	<b>35.4</b>	<b>35.6</b>	
<b>Figures before IFRS 16 impact</b>				
NKT	-3.5			
NKT Photonics	-0.9			
<b>NKT A/S</b>	<b>-4.4</b>	<b>1,832.4</b>	<b>303.4</b>	<b>5.4x</b>

## Note 5 Definitions

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

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

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

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

The NKT A/S Interim Report Q1 2019 was published on 16 May 2019 and released through Nasdaq Copenhagen. The report is also available at [investors.nkt.com](http://investors.nkt.com).

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# Financial highlights and ratios

Amounts in EURm	Q1 2019	Q1 2018	Year 2018
<b>Income statement</b>			
Revenue	294.3	363.5	1,501.6
Revenue in std. metal prices <sup>1)</sup>	219.9	266.9	1,147.1
Operational earnings before interest, tax, depreciation and amortization (Oper. EBITDA) <sup>4)</sup>	-2.8	18.9	79.3
Earnings before interest, tax, depreciation and amortization (EBITDA)	0.2	15.8	49.8
Depreciation and impairment of property, plant and equipment	-15.9	-16.4	-66.4
Amortization and impairment of intangible assets	-5.5	-5.0	-20.9
Depreciation of right-of-use assets	-1.4	0.0	0.0
Operational earnings before interest and tax (Oper. EBIT) <sup>5)</sup>	-25.6	-2.5	-8.0
Earnings before interest and tax (EBIT)	-22.6	-5.6	-37.5
Financial items, net	-2.1	-2.1	-8.0
Earnings before tax (EBT)	-24.7	-7.7	-45.5
Profit for the period	-19.0	-5.0	-46.3
Profit attributable to equity holders of NKT A/S	-21.0	-5.0	-48.7
Profit attributable to hybrid capital holders of NKT A/S	2.0	0.0	2.4
<b>Cash flow</b>			
Cash flow from operating activities	-54.6	-131.8	-42.2
Cash flow from investing activities	-0.1	-9.6	-60.9
hereof investments in property, plant and equipment	-5.1	-4.9	-28.5
Free cash flow	-54.7	-141.4	-103.1
<b>Balance sheet</b>			
Share capital	72.8	72.8	72.8
Equity attributable to equity holders of NKT A/S	713.8	774.9	743.2
Hybrid capital	154.4	0.0	152.4
Group equity	868.2	774.9	895.6
Total assets	1,867.8	1,923.3	1,859.2
Net interest-bearing debt <sup>6)</sup>	339.0	432.7	248.3
Capital employed <sup>7)</sup>	1,207.2	1,207.6	1,143.9
Working capital <sup>8)</sup>	51.4	48.3	7.7
<b>Financial ratios and employees</b>			
Operational EBITDA margin, continuing operations (std. metal prices)	-1.3%	7.1%	6.9%
Gearing (net interest-bearing debt as % of Group equity)	39%	56%	28%
Net interest-bearing debt relative to operational EBITDA <sup>9)</sup>	5.9	3.0	3.1
Solvency ratio (equity as % of total assets) <sup>10)</sup>	46%	40%	48%
Return on capital employed (RoCE) (LTM) <sup>11)</sup>	-2.6%	7.8%	-0.7%
Number of DKK 20 shares ('000)	27,126	27,126	27,126
Basic & diluted earnings, EUR, per outstanding share (EPS) <sup>12)</sup>	-0.8	-0.2	-1.8
Equity value, EUR per outstanding share <sup>13)</sup>	26	29	27
Market price, DKK per share	118	197	89
Average number of employees	3,715	3,689	3,744

<sup>1) - 13)</sup> Definitions appear in Note 5.

Financial highlights and ratios are calculated as defined in the 2018 Annual Report.

**NKT A/S**

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