

Interim Report
Q3 2017

NKT

Power to life since 1891

Contents

Management Review

- 03** Nilfisk demerged from NKT A/S
- 04** Key messages
- 06** NKT
- 12** NKT Photonics
- 14** Group financials
- 15** Shareholder information

Financial Statements

- 16** Group Management's statement
- 18** Income statement
- 19** Cash flow
- 20** Balance sheet
- 21** Comprehensive income and Equity
- 22** Notes
- 29** Financial highlights

Nilfisk demerged from NKT A/S

The demerger of NKT A/S was adopted by the shareholders on 10 October 2017. From 12 October 2017, the company began trading as two separately listed entities, NKT A/S and Nilfisk Holding A/S

Following the demerger, NKT A/S will consist of two standalone companies: NKT, a leading provider of power cable solutions, and NKT Photonics, a leading supplier of fiber lasers and photonic crystal fibers. Both companies will continue to report directly to the Board of Directors of NKT A/S. In Q3 2017, Nilfisk was still part of NKT A/S and is treated as a discontinued operation in this interim report (see information box).

In preparation for the demerger, NKT and Nilfisk jointly hosted a Capital Markets Day in Copenhagen on 19 September 2017. The businesses were presented by the management teams and medium-term financial outlooks were provided.

Purchase prices for shares bought before the demerger have to be calculated for tax purposes for NKT A/S and Nilfisk Holding A/S, respectively. The Danish tax authorities have indicated that the calculation of the new purchase price must be based on the average market value of the NKT A/S and Nilfisk Holding A/S shares after the first 20 days of trading following the demerger. The average price for NKT A/S has been DKK 264.05 (46.6% of combined value) and DKK 303.12 (53.4%) for Nilfisk Holding A/S.

Key financials Q3 2017

EURm	NKT (formerly NKT Cables)	NKT Photonics	Nilfisk (discontinued)
Revenue	396.6	11.2	252.7
Revenue in std. metal prices	303.2*	11.2	252.7
Organic growth	24%	0%	3%
Operational EBITDA	43.8	-0.8	22.4**
Operational EBITDA margin	14.4%*	neg.	8.9%**
Operational EBITDA margin, LTM	12.7%*	8.2%	11.5%**
EBITDA	36.3	-0.8	19.1
EBIT	13.3	-1.8	19.1***

* std. metal prices, ** before special items, *** Depreciations and amortisations in accordance with IFRS rules for discontinued operations

Nilfisk as discontinued operation

Due to the split of NKT A/S, Nilfisk is treated as a discontinued operation in the present Q3 2017 Interim Report, which focuses on the continuing business comprising NKT and NKT Photonics.

Nilfisk's financial performance can be viewed in the Nilfisk Q3 2017 Interim Report at www.nilfisk.com. Nilfisk's report was released at the same time as this report.

The treatment of Nilfisk as a discontinued operation is in accordance with IFRS and affects the present Interim Report as follows:

Income statement

Nilfisk figures are excluded in 2016 and 2017 and comparative figures are adjusted accordingly. Notes and KPI's are based on NKT A/S' continuing business.

Balance sheet

Nilfisk items are classified as assets held for distribution to owners as from December 2016. KPI's such as RoCE and NIBD leverage include discontinued operations.

A full specification of Nilfisk's income and balance sheet statements is presented in Note 5 on page 25.

Key messages Q3 2017

The financial development in both NKT and NKT Photonics was satisfactory in Q3 2017. In NKT, revenue and earnings increased as expected on the back of acquired activities. In NKT Photonics, organic growth was flat with expected strong growth in Q4 2017.

During the past months, NKT has been awarded an order in the Netherlands, Borssele Beta, and selected as preferred supplier for two offshore wind projects in the UK, Moray East and Triton Knoll, underlining the leading position of NKT in this market

2017 financial outlook unchanged for NKT and adjusted for NKT Photonics

The financial outlook for NKT for 2017 is unchanged from Company Announcement No. 8 of 11 April 2017, while expectations for NKT Photonics have been adjusted:

For NKT, expected revenue* is approx. EUR 1.1bn and operational EBITDA is approx. EUR 140m.

For NKT Photonics, expected organic growth is approx. 10% and operational EBITDA margin is approx. 10% (previously approx. 15%). The adjusted margin is solely due to a reassessment of the LTI programme for senior management, which means that EUR 2.3m is expected to be provisioned for this in 2017. The acquisition of Onefive is anticipated to add revenue of approx. EUR 3m in 2017.

Amounts in EURm	NKT (formerly NKT Cables)				NKT Photonics			
	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016
Revenue	396.6	257.9	1,060.7	748.7	11.2	10.8	29.9	26.9
Revenue in std. metal prices	303.2	196.3	776.5	559.7	11.2	10.8	29.9	26.9
Organic growth	24%	1%	9%	-13%	0%	-6%	2%	4%
Operational EBITDA	43.8	20.5	104.5	54.1	-0.8	0.9	-2.2	0.3
Operational EBITDA margin	14.4%*	10.4%*	13.5%*	9.7%*	neg.	10.1%	neg.	2.4%
Working capital	-37.6	94.7	-37.6	94.7	17.0	10.6	17.0	10.6
Working capital % of revenue, LTM	0.7%	10.5%	0.7%	10.5%	32.3%	22.5%	32.3%	22.5%
RoCE**	8.7%	8.0%	8.7%	8.0%	neg.	neg.	neg.	neg.

* Std. metal prices

** RoCE is calculated on Operational EBIT, LTM as a percentage of average capital employed as defined in Note 8 on page 28



(formerly NKT Cables)

EUR 303m

Revenue*

Up by EUR 107m from Q3 2016, driven by acquired activities

24%

Organic growth

Based on significant growth in the acquired business. The organic growth excl. the impact of the acquired ABB HV Cables activities was -5%

EUR 43.8m

Operational EBITDA

Up EUR 23m against Q3 2016. The operational EBITDA margin* increased by 4%-points to 14.4%, driven by the acquired activities

EUR 0.83bn

High-voltage order backlog

This does not include the Borssele Beta project, which was secured after the balance sheet date, and the two preferred supplier agreements in the UK. The combined estimated contract value of these projects are more than EUR 335m



EUR 11.2m

Revenue

Up by EUR 0.4m against Q3 2016. The acquired Onefive business contributed with EUR 0.6m for the month it was included

0%

Organic growth

The result of solid progress in the Imaging & Metrology and Material Processing divisions, but negative growth in Sensing & Energy

EUR -0.8m

Operational EBITDA

The operational EBITDA excluding the provisions for LTI programmes was EUR 1.0m

Acquisition of Onefive completed

Strengthening NKT Photonics' position as a leading ultrafast laser supplier. Transaction finalised 1 September 2017

* Std. metal prices

Financial review

NKT increased operational EBITDA by EUR 23m in Q3 2017, driven by acquired activities. The organic growth was satisfactory at 24%, organic growth excluding the impact of the acquired ABB HV Cables activities was -5%. Tender activity in the high-voltage market remained intense, and NKT has been awarded one order after the balance sheet date for an offshore wind project and also been selected as preferred supplier for further two

Increased revenue driven by acquisition

Driven by robust performance in the acquired high-voltage activities, Q3 2017 revenue* for NKT was EUR 303.2m. This was an increase of EUR 106.9m compared with Q3 2016, which also included revenue from the Chinese and Automotive activities subsequently divested as part of the business strategy.

Organic growth in Q3 2017 was 24%. This includes pro forma revenue for the acquired activities for Q3 2016. This strong performance reflects quarterly revenue fluctuations in the Projects business, and relatively low pro forma revenue in the acquired business in Q3 2016. Excluding the impact of the acquired ABB HV Cables activities, the organic growth for Q3 2017 was -5%.

Revenue* for the first nine months of 2017 was 776.5m, compared with 559.7m for the same period in 2016. The organic growth was 9% (-3% excluding acquired activities).

Operational EBITDA margin* of 14.4%

In Q3 2017, operational EBITDA increased to EUR 43.8m from EUR 20.5m for the same period of 2016. The increase was driven by acquired activities and by solid execution in the Projects business. NKT Victoria, the company's cable-laying vessel, had high utilisation during the quarter, which benefitted

profitability. The high-voltage AC onshore business continued to impact earnings negatively.

The operational EBITDA margin* in Q3 2017 was 14.4%. This led to a LTM operational EBITDA margin of 12.7%, an increase of 1.4%-points against end-June 2017. Operational EBITDA for the first nine months of 2017 was EUR 104.5m, compared with EUR 54.1m for the same period of 2016.

NKT incurred one-off costs for Q3 2017 of EUR 7.5m. These costs consisted of EUR 5.3m for the integration of the acquired ABB HV Cables activities, EUR 0.2m for the NKT A/S demerger, and EUR 2.0m for the implementation of EXCELLENCE 2020. Integration costs from when the acquisition was announced in September 2016 to end-September 2017 amounted to EUR 17m. Total integration costs are still expected to be approx. EUR 35-40m by end-2018.

Key financials

Amounts in EURm	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016	FY 2016
Income statement					
Revenue	396.6	257.9	1,060.7	748.7	1,003.7
Revenue in std. metal prices	303.2	196.3	776.5	559.7	750.4
Operational EBITDA	43.8	20.5	104.5	54.1	72.5
EBITDA	36.3	-11.6	77.3	17.5	26.2
Depreciations and amortisations	-23.0	-9.4	-52.0	-28.1	-36.8
Operational EBIT	20.8	11.1	52.5	26.0	35.7
EBIT	13.3	-21.0	25.3	-10.6	-10.6
Financial items, net	-3.4	-1.8	-10.7	-5.5	-3.0
EBT	9.9	-22.8	14.6	-16.1	-13.6
Profit for the year	6.8	-24.5	12.2	-20.5	-22.3
Cash flow					
Cash flow from operating activities	29.6	14.8	15.2	4.8	33.7
Cash flow from investing activities excl. acq. & div.	-13.0	-9.3	-41.9	-20.3	-31.5
Free cash flow	16.6	5.5	-26.7	-15.5	2.2
Balance sheet					
Capital employed	1,120.7	374.4	1,120.7	374.4	348.4
Working capital	-37.6	94.7	-37.6	94.7	57.8
Financial ratios and employees					
Organic growth	24%	1%	9%	-13%	-10%
Gross margin	45.8%	46.1%	47.4%	43.9%	43.4%
Operational EBITDA margin*	14.4%	10.4%	13.5%	9.7%	9.7%
RoCE	8.7%	8.0%	8.7%	8.0%	9.3%
Full-time employees, end of period	3,389	3,151	3,389	3,151	2,769

Revenue development and organic growth

Amounts in EURm

Q3 2016 revenue*	196.3
Currency effect	3.2
Acquisitions**	64.3
Divestments	-18.5
Q3 2016 adjusted revenue*	245.3
Organic growth*	57.9
Org. growth excl. acquisitions*	-8.3
Org. growth ABB HV Cables**	66.2
Q3 2017 revenue*	303.2
Organic growth %	24%
Org. growth % excl. ABB HV Cables	-5%

Operational EBITDA



Working capital



Improved working capital

Working capital at end-September 2017 was EUR -37.6m, a decrease of EUR 132.3m from the same date in 2016 and a reduction of EUR 7.0m from end-June 2017. This positive development was mainly driven by the Projects business. The continued improvement meant that the working capital ratio, LTM, decreased to 0.7% at end-September 2017, down by 2.7%-points against end-June 2017.

Increased RoCE

RoCE in Q3 2017 was 8.7%, which was 0.7%-points higher than the same period last year. This was 0.5%-points down on Q2 2017 as the increase in capital employed following the acquisition outweighed the increase in operational EBIT. The calculation of RoCE at end-September 2017 has been adjusted to reflect the inclusion of the acquired ABB HV Cables business from 1 March 2017.

Medium-term financial targets

At the Capital Markets Day held in September 2017, NKT announced new medium-term financial targets for operational EBITDA and RoCE. These targets are to be achieved within a period of 3-5 years and do not include potential expansion of production capacity.

NKT has a clear plan for realising the earnings growth. Important steps will be ongoing execution of initiatives in the EXCELLENCE 2020 strategy, combined with exploitation of synergies from acquisition of ABB HV Cables. Additionally, growth targets in each of the divisions will improve earnings further in the medium term.



Operational EBITDA (EUR)



RoCE

* Std. metal prices
 ** Based on pro forma revenue

Business review – Projects

186m

Revenue* EUR
(Q3 2016: EUR 64m)

44%

Organic growth
(Q3 2016: 10%)

Growth driven by offshore projects

The acquired activities delivered organic growth of 100% in Q3 2017 on the back of a low pro forma comparison base. The Q3 2017 revenue* for the acquired activities was EUR 132m. The organic growth in Projects excluding the impact of the acquired ABB HV Cables activities was -14%, against organic growth of 10% in Q3 2016. Additionally, the high-voltage AC onshore business continued to be impacted by challenging market conditions as also experienced in recent quarters.

The organic growth in the first nine months in Projects was 22%.

NKT executed well on several orders in Karlskrona and Cologne, including production for the Hornsea project which is taking place at both factories. The two offshore wind projects Galloper and Race Bank also progressed satisfactorily towards finalisation in the near future. The cable-laying vessel NKT Victoria maintained a high level of activity in Q3 2017 with satisfactory execution on the Kriegers Flak and Rentel projects.

NKT has successfully handed over a 500 kV AC onshore project for Siemens in Egypt. The cable installation was accomplished in challenging desert conditions, a testimony to the capabilities of NKT in the 500 kV onshore cable category.

Order backlog of EUR 0.8bn

The NKT high-voltage order backlog amounted to EUR 0.83bn at end-September 2017. At this stage, there are a limited number of projects in tender potentially impacting 2018. This reflects a low amount of orders awarded in the market during 2017. Subject to execution of the orders, around 25% of the revenue is expected to be booked in the remaining part of 2017 and the balance in 2018 and later.

The tender activity for the mid- to long-term remains intense and reaffirms the positive outlook for the segment.

Progress on three offshore wind projects

The participation of NKT in three recently announced offshore wind projects is not included in the order backlog above. NKT has been awarded the order to supply cables for the Borssele Beta project in the Netherlands after the balance sheet date and has been selected as the preferred supplier for the Triton Knoll and Moray East projects in the UK that are subject to final negotiations and decisions by the project owners. The estimated total contract value of these three projects is more than approx. EUR 335m and will primarily impact earnings in 2019 and 2020.

NKT won turnkey service order

In October 2017, NKT announced that it was awarded the turnkey service repair order of the Skagerrak 2 offshore cable from Norway to Denmark, which was damaged in July.

The cable laying vessel NKT Victoria was used for the offshore operation that was carried out during Q4 2017.

Attractive market outlook

Project orders awarded in the high-voltage cable market are expected to increase in the years to come. In the addressable market for NKT, orders amounting to approx. EUR 5bn annually are expected to be awarded in 2018 and 2019 (against an average of approx. EUR 2.3bn annually from 2015-2017). This positive development is expected to be driven by a greater percentage of interconnector projects and a continued flow of offshore wind projects. Emerging projects outside Europe will also provide opportunities for NKT, with particular prospects in the US where NKT established an office during Q2 2017.

Integration progressing to plan

Since completion of the acquisition of ABB HV Cables on 1 March 2017, focus has switched to the integration process with NKT. The combined organisation was fully implemented during Q3 2017, and the new structure is an important milestone in the integration process.

With the new organisation in place the path is paved for the next steps in the integration phase, with further alignment of processes, improved production planning and a strengthened go-to-market approach. This will gradually generate the identified synergies.

The qualification of the Cologne plant to produce high-voltage DC cables is an important part of combining the entities. The qualification tests are running according to plan and initial approvals are expected towards the end of 2018.

* Std. metal prices

Business review – Products

117m

Revenue* EUR
(Q3 2016: 124m)

1%

Organic growth
(Q3 2016: -1%)

Good market conditions

In Q3 2017, NKT benefited from continued solid demand in the Scandinavian and UK markets. In particular, the Swedish market developed positively based on a robust construction segment. The market growth in Denmark was more modest.

The Polish market showed signs of improvement during the period, although conditions remained challenging. The growth for NKT continued negative, but initiatives have successfully been launched to improve the performance. In the Czech Republic, the market development was acceptable.

In the German medium-voltage market, the so-called “photo-year” continued to have a slight negative impact on growth in Q3 2017. Furthermore, the frame contract with Ericsson renewed at the end of 2016 was also still impacting growth negatively.

In the Accessories business, the financial development during the period was as expected. The performance was impacted slightly by weaker market conditions in Germany. The Railway business returned to positive organic growth in Q3 2017 as market conditions improved slightly.

The organic growth in the first nine months in Products was -3%.

Solid tender activity in utility segment

In the utility segment NKT is currently participating in several tenders for frame contracts across the markets in which it operates. A successful outcome of these tenders will have a solid impact on performance in 2018 and onwards. During the period under review NKT was awarded a frame contract by a major German utility.

Construction Product Regulation (CPR) in EU implemented

CPR, which is intended to ensure reliable information on the performance of products used in buildings in EU, came into force on 1 July 2017 with varying degrees of impact on the markets in which NKT operates. NKT is well positioned to serve these markets and to conform to the increased product demands. In Sweden, where the CPR enforcement has been stricter than in other countries, NKT has received positive customer feedback on cable quality.

The production of fire-retardant cables is associated with higher costs due to a more complex production process, but will also provide more secure cables for the end-users. The market accepts the increased production complexity involved, which means that NKT can maintain a similar level of product profitability to before CPR was implemented.

Establishment of US presence

The development of the market for the next-generation 5G mobile network technology is progressing steadily in the US, and to achieve a strong position in this segment NKT has established a sales subsidiary and warehouse in Dallas. By this NKT intends to expand the reach of its current portfolio of telecom power cable products.

* Std. metal prices

Offshore wind

The growth prospects in the offshore wind market continue to be attractive for NKT. The political climate is similarly favourable, as exemplified by the latest Contracts for Difference allocation in the UK

Attractive market conditions

Offshore wind technology is well established in Europe as a renewable energy source, and has been an important growth driver for the high-voltage power cable market. The shift towards greater reliability on offshore wind energy is expected to continue in the years ahead. The business intelligence company CRU estimates that cable route lengths supplied for offshore wind projects will grow by 14% annually (CAGR) from 2016 to 2020.

The further expansion of offshore wind energy is supported by the political climate in Europe. A joint statement to advance the deployment of offshore wind energy in Europe was signed in June 2017 by three offshore wind nations - Germany, Belgium and Denmark - and by the offshore wind energy industry. In the statement the industry declared that it was ready to deliver 60 GW, or at least 4 GW per year, of new capacity in the decade from 2020-2029.

The statement follows up on a political declaration from summer 2016 in which 10 European North Sea governments agreed to strengthen energy cooperation with the aim of creating good conditions for the development of offshore wind energy.

Continued prioritisation in the UK

The political intentions are also being turned into action, as recently exemplified in the UK. At the allocation round of Contracts for Difference (CfD) in September 2017, three offshore wind farm projects were awarded; Triton Knoll, Moray East and Hornsea Project 2. These awards demonstrate a continued interest in driving investments in offshore wind energy.

The next round of CfD allocations is set to take place in spring 2019. The UK government has announced that up to GBP 557m will be made available to support less established renewable energy sources such as offshore wind. The interest in continued offshore wind investment is closely linked to the downward trend in associated offshore wind costs.

NKT a leading player in the offshore wind market

With high-voltage factories in both Cologne and Karlskrona, NKT has powerful credentials in the domain of offshore wind projects and is strongly positioned to participate in this market going forward. The high-voltage order backlog of NKT currently includes several offshore wind projects - such as Hornsea 1, Kriegers Flak, Rentel and Borssele Alpha - spanning several locations. NKT has its own cable-laying vessel, NKT Victoria, which has played an important role in cable installation on a number of these projects and has proved its cutting-edge capabilities.

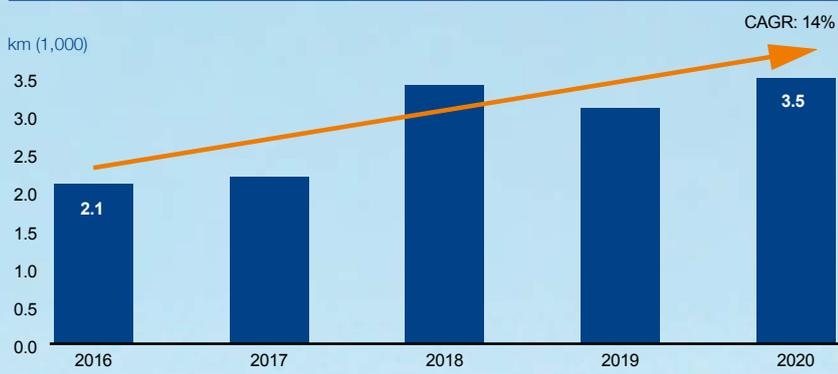
The offshore wind credibility of NKT has been further underlined by three upcoming projects: an order for the Borssele Beta project in the Netherlands (NKT contract value approx. EUR 90m), and selection of the company as a preferred supplier for two UK offshore wind farms, Triton Knoll (approx. EUR 115m) and Moray East (approx. EUR 130-170m).

...and also positive development in the interconnector segment

Large interconnector projects are also enjoying political support. At the end of October 2017, the Danish Minister for Energy, Utility and Climate formally approved the investment in the Viking Link project. The project developers, Energinet and National Grid Viking Link, are aiming at a final investment decision by spring 2018 depending on various permissions and licences.

Viking Link, a proposed 770 km high-voltage DC interconnector project between Denmark and the UK, is one of several such projects being developed both inside and outside Europe. NKT has a strong track record in the high-voltage segment and, as an example, is currently executing on Nordlink, the HVDC power grid interconnection between Norway and Germany.

Expected cable route lengths - Offshore wind



Source: NKT and CRU



Financial & Business review

The Q3 2017 organic growth for NKT Photonics was flat, reflecting normal quarterly fluctuations in revenue, and is expected to increase in Q4 2017. The expected EBITDA margin for 2017 has been adjusted due to provisioning for the LTI programme, but the recently announced medium-term targets are unchanged. The acquisition of Onefive, intended to strengthen NKT Photonics' position in the fast-growing ultrafast laser market, was completed in September 2017.

Flat organic growth – impacted by timing of revenue

In Q3 2017, NKT Photonics experienced flat organic growth with revenue of EUR 11.2m, compared with EUR 10.8m in Q3 2016. This development reflected solid growth performance in both the Imaging & Metrology and Material Processing segments. Onefive contributed with one month of revenue equaling EUR 0.6m. The organic growth for NKT Photonics will fluctuate from quarter to quarter due to the relative size of single orders and development projects.

Revenue for the first nine months of 2017 was EUR 29.9m, corresponding to organic growth of 2%. With the order pipeline stronger than usual when entering the final quarter of 2017, a significant pick-up in organic growth is anticipated in Q4 2017, and NKT Photonics is expected to deliver approx. 10% organic growth for the year.

EBITDA impacted by LTI programme and growth investments

Following the acquisition of Onefive, the Long-Term Incentive (LTI) programme for senior management has been reassessed. Based on this, the programme is considered to be in the money and the provisions related to this impacted EBITDA negatively by EUR 1.8m in Q3 2017. This partly covers a catch-up effect for the period already vested. For 2017, EBITDA is

expected to be impacted by EUR 2.3m, and this is expected to be repeated for 2018 and 2019, respectively.

The attractive market outlook means that NKT Photonics is constantly investing in strengthening its position. In Q3 2017, the company continued

the implementation of a new ERP system. The provisions and growth investments resulted in EBITDA of EUR -0.8m in Q3 2017. Without the provisions for the LTI programme, the EBITDA was EUR 1.0m compared with EUR 0.9m for the same period in 2016. EBITDA for the first nine months of 2017 amounted to -2.2m.

Key financials

Amounts in EURm	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016	FY 2016
Income statement					
Revenue	11.2	10.8	29.9	26.9	43.1
Operational EBITDA	-0.8	0.9	-2.2	0.3	6.3
EBITDA	-0.8	0.9	-2.2	0.3	6.3
Depreciations and amortisations	-1.0	-1.0	-3.2	-3.0	-4.8
EBIT	-1.8	-0.1	-5.4	-2.7	1.5
Financial items, net	-0.1	-0.1	-0.7	-0.6	-1.2
EBT	-1.9	-0.2	-6.1	-3.3	0.3
Profit for the year	-1.6	-0.3	-4.9	-3.1	0.2
Cash flow					
Cash flow from operating activities	0.9	0.4	-0.1	-1.1	-1.4
Cash flow from investing activities excl. acq. & div.	-1.4	-1.1	-4.7	-2.4	-3.3
Free cash flow	-0.5	-0.7	-4.8	-3.5	-4.7
Balance sheet					
Capital employed	62.6	45.0	62.6	45.0	49.3
Working capital	17.0	10.6	17.0	10.6	18.5
Financial ratios and employees					
Organic growth	0%	-6%	2%	4%	7%
Gross margin	71.4%	67.5%	70.9%	69.8%	70.9%
Operational EBITDA margin	neg.	10.1%	neg.	2.4%	14.7%
RoCE	neg.	neg.	neg.	neg.	4.1%
Full-time employees, end of period	310	239	310	239	240

Working capital impacted by acquisition

NKT Photonics' working capital at end-September 2017 was EUR 17.0m, up by EUR 0.8m compared with the prior quarter due to the acquisition of Onefive. Excluding the acquisition, the working capital was down compared with Q2 2017.

NKT Photonics, a company in growth

With the acquisition of Onefive, NKT Photonics is further growing its business, and has added a new manufacturing site in Zurich, Switzerland, to broaden its reach within the Material Processing segment.

NKT Photonics itself has relocated to a new headquarter in Birkerød, Denmark, to expand capacity for continued growth development. With this move, the office and production space have been increased by more than 1,500 m² or almost 40% in Birkerød.

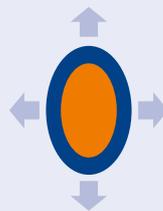
Medium-term targets to deliver further growth and profitability

At the NKT Capital Markets Day in September 2017, NKT Photonics announced medium-term financial targets. These targets are to be achieved within a period of 3-5 years.

As part of NKT Photonics' commercialisation strategy the focus is on solid progress towards higher medium-term revenue and earnings. Growth opportunities in the attractive laser market will be actively pursued. This will be supported by ongoing introduction of new products and technologies and build-up of scalable manufacturing facilities.

Annual organic growth

+ 10%



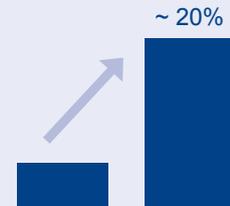
EBITDA margin

~ 25%



RoCE

~ 20%



Imaging & Metrology

Order intake and backlog developed as expected in Q3 2017, with growth driven by both the scientific market and industrial OEM sales to the semiconductor and micro-electronics markets.

SuperK EVO, the new supercontinuum product platform designed for industrial OEM use, was released for general sale. The first OEM projects on the platform are already running with customer market launch expected in 2018.

Sensing & Energy

Driven by high demand for the Koheras single-frequency fiber lasers, overall growth in this division continued, resulting in a solid order backlog for Q4 2017. The positive trend is expected to continue for the rest of 2017.

Revenue on LIOS sensing systems was slightly below expectations due to project delays on the customer side.

Material Processing

The acquisition of Onefive, a leading ultrafast laser manufacturer, was completed on 1 September 2017, and contributed with one month of revenue in Q3 2017. The integration is progressing to plan and Onefive's ultrafast laser portfolio is already available through all NKT Photonics' sales channels. Integration of engineering, operations and finance will continue over the coming months and is expected to be completed in Q1 2018.

Group financials

Operational EBITDA driven by NKT (formerly NKT Cables)

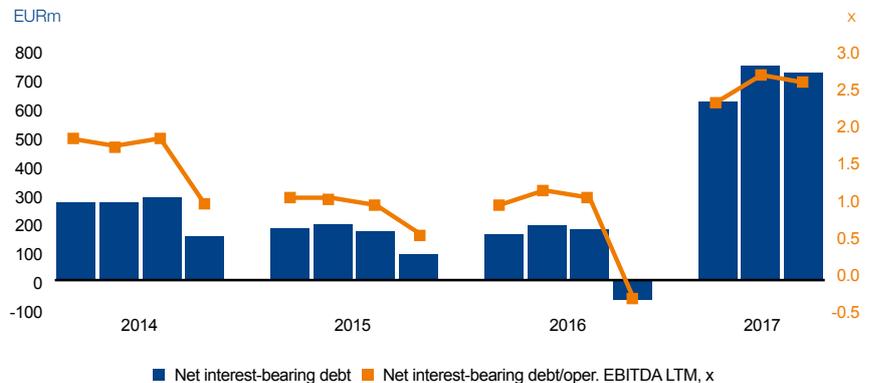
The operational EBITDA for NKT A/S (continuing operations) increased by EUR 22.2m to EUR 43m in Q3 2017, driven by acquired activities in NKT. This increase translated into an operational EBITDA margin* of 13.7%, compared with 10.0% in Q3 2016. The operational EBITDA for the 'Other' reporting segment, including the parent company, was nil (EUR -0.6m in Q3 2016) as the costs were included in NKT, NKT Photonics and Nilfisk. Operational EBITDA for the first nine months of 2017 was EUR 102.3m.

The operational EBITDA (including discontinued operations) in Q3 2017 amounted to EUR 65.4m, an increase of 18.0m on the Q3 2016. The operational EBITDA, LTM, was EUR 248.8m (EUR 124.9m for the continuing operations).

Financial items, earnings and tax

The net financial items amounted to -3.5m in Q3 2017, which was a cost level EUR 3.6m higher than in Q3 2016 due to the increased debt level. The increase in operational EBITDA also impacted earnings before tax (EBT), which amounted to 8.0m in Q3 2017, up 29.6m on the same period in 2016. The reported tax rate in Q3 2017 was 35%, and 18% adjusted for one-off costs.

Net interest-bearing debt



* For the Q1-Q3 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 is based on ABB HV Cables' estimated average annual pro forma EBITDA of EUR 79m for 2014-2016.

Cash flow

The cash flow from operating activities showed positive development with EUR 46.7m for Q3 2017 against EUR 48.1m for Q3 2016 reflecting positive development in working capital. As NKT Photonics' acquisition of Onefive was completed in Q3 2017, the cash flow from acquisitions and divestments amounted to EUR -9.8m. Investment in tangible and intangible fixed assets amounted to EUR 21m in Q3 2017, slightly up from Q3 2016.

Liquidity, debt leverage and equity

As of end-September 2017, NKT A/S had net interest-bearing debt of EUR 720m. Pro forma distribution of this amount comprised EUR 340m

for the continuing NKT business and EUR 380m for the recently separated Nilfisk business. Net interest-bearing debt relative to operational EBITDA, including pro forma estimated EBITDA for the acquired ABB HV Cables activities, was 2.6x at end-September 2017. Excluding the Nilfisk activities, the pro forma leverage ratio was 2.2x.

The total available liquidity reserves for NKT A/S amounted to EUR 365m (pro forma EUR 325m excluding Nilfisk) at end-September 2017, comprising cash of EUR 58m and undrawn credit facilities of EUR 307m. The equity amounted to EUR 993m. The solvency ratio was 36% (pro forma 43% excluding Nilfisk), above the internal target of minimum 30%.

Q3 2017 financial development by business unit

Amounts in EURm	Revenue			Oper. EBITDA			Oper. EBITDA margin	
	Q3 2017	Q3 2016	Change	Q3 2017	Q3 2016	Change	Q3 2017	Q3 2016
NKT	303.2'	196.3'	106.9	43.8	20.5	23.3	14.4%*	10.4%*
NKT Photonics	11.2	10.8	0.4	-0.8	0.9	-1.7	neg.	10.1%
Other	0.0	0.0	0.0	0.0	-0.6	0.6	-	-
NKT A/S, continuing oper.	314.4	207.1	107.3	43.0	20.8	22.2	13.7%	10.0%
Nilfisk	252.7	250.3	2.4	22.4	26.6	-4.2	8.9%	10.6%
NKT A/S, incl. discontinued oper.	567.1	457.4	109.7	65.4	47.4	18.0	11.5%	10.4%

* Std. metal prices

Shareholder information

NKT share price



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

NKT A/S shares basic data

ID code: DK0010287663

Listing: Nasdaq Copenhagen

Share capital: EUR 73m
(DKK 543m)

Number of shares: 27.1 million

Nominal value: DKK 20

Share classes: 1

NKT A/S shares

In Q3 2017, the average daily turnover in the company's shares on all trading markets was EUR 14m, compared with EUR 10m in Q3 2016. Average daily trading volume was 201,000 shares, compared with 195,000 in Q3 2016. Nasdaq Copenhagen was the main trading market for the company's shares with 49% of the total traded volume.

As at end-September 2017, the company's share price was DKK 538.50, against DKK 498.90 at 31 December 2016, corresponding to an 8% increase. Share trading excluding Nilfisk started on 12 October 2017, which was reflected in the share price. On the day, the stock market reacted positively with the combined share prices of NKT A/S and Nilfisk Holding A/S ending 2% up on the closing share price on 11 October 2017.

Three NKT investors have reported shareholdings of more than 5%: ATP (Denmark), Kirkbi INVEST A/S (Denmark) and Ferd AS (Norway).

In Q3 2017, the exercise of share warrants by a number of employees increased the share capital of NKT A/S by 14,627 shares with a nominal value of DKK 20, corresponding to a nominal increase in the share capital of

EUR 39,267 (DKK 292,540). The total share capital consists of 27,126,369 shares with a nominal value of DKK 20, corresponding to a total nominal share capital of EUR 72,822,467 (DKK 542,527,380).

Board member accepts new job opportunity as CEO

At the Extraordinary General Meeting in October 2017, Andreas Nauen was elected as a new member of the Board of Directors of NKT A/S replacing Anders Runevad who stepped down. Shortly after the election, Andreas Nauen also joined Siemens Gamesa Renewables as CEO for the Offshore division.

The employee elected members Gitte Toft Nielsen and René Engel Kristiansen have also left the Board of Directors. An ordinary election of employee representatives and alternate members will take place in Spring 2018.

New investor website launched

In connection with the demerger of NKT A/S in October 2017, investor-related information has been transferred from www.nkt.dk to www.nkt.com.



Please visit
investors.nkt.com

Financial calendar 2018

27 Feb: Annual Report 2017

22 Mar: Annual General Meeting

15 May: Interim Report, Q1

15 Aug: Interim Report, Q2

16 Nov: Interim Report, Q3

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 - 30 September 2017.

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 30 September 2017 and the results of the Group's activities and cash flow for the period 1 January - 30 September 2017.

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, 15 November 2017

Group Executive Director

Michael Hedegaard Lyng

Board of Directors

Jens Due Olsen, *Chairman*

René Svendsen-Tune, *Deputy Chairman*

Niels-Henrik Dreesen

Jens Maaløe

Andreas Nauen

Jutta af Rosenberg

Lars Sandahl Sørensen

Financial Statements

NKT A/S

Income statement

Amounts in EURm	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Year 2016
Revenue	407.8	268.7	1,090.6	775.6	1,046.1
Earnings before interest, tax, depreciation and amortisation (EBITDA)	35.5	-11.3	75.1	15.7	27.9
Depreciation and impairment of property, plant and equipment	-17.7	-8.4	-43.1	-25.2	-33.0
Amortisation and impairment of intangible assets	-6.3	-2.0	-12.1	-5.9	-8.6
Earnings before interest and tax (EBIT)	11.5	-21.7	19.9	-15.4	-13.7
Financial items, net	-3.5	0.1	-11.4	3.0	5.7
Earnings before tax (EBT)	8.0	-21.6	8.5	-12.4	-8.0
Tax	-2.8	-2.2	-1.2	-5.5	-9.5
Profit from continuing operations	5.2	-23.8	7.3	-17.9	-17.5
Profit from discontinued operations	12.4	-1.0	55.4	23.9	29.6
Net profit	17.6	-24.8	62.7	6.0	12.1
To be distributed as follows:					
Profit attributable to equity holders of NKT A/S	17.6	-24.8	62.7	6.0	12.1
Basic earnings, EUR per outstanding share (EPS)	0.6	-1.0	2.3	0.3	0.5
Diluted earnings, EUR per share (EPS-D)	0.6	-1.0	2.3	0.3	0.5
Earnings from continuing operations, EUR per outstanding share (EPS)	0.2	-1.0	0.3	-0.8	-0.7
Diluted earnings from continuing operations, EUR per share (EPS-D)	0.2	-1.0	0.3	-0.8	-0.7

Cash flow

Amounts in EURm	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Year 2016
Earnings before interest, tax, depreciation and amortisation (EBITDA) from continuing operations	35.5	-11.3	75.1	15.7	27.9
Earnings before interest, tax, depreciation and amortisation (EBITDA) from discontinued operations	19.1	17.5	83.2	77.2	96.8
	54.6	6.2	158.3	92.9	124.7
Financial items, net from continuing and discontinued operations	-5.3	-2.1	-17.6	-6.2	-5.3
Changes in provisions, tax and non-cash operating items, profit on sales of non-current assets, etc.	-13.1	8.6	-35.7	-7.1	-23.1
Changes in working capital	10.5	35.4	-79.9	-11.9	57.6
Cash flow from operating activities	46.7	48.1	25.1	67.7	153.9
Acquisition of business	-12.4	-0.2	-797.5	-53.2	-53.3
Divestment of business	2.6	0.0	26.4	0.0	-3.0
Investments in property, plant and equipment	-8.9	-9.0	-37.5	-27.3	-40.7
Disposal of property, plant and equipment	0.0	0.1	1.1	1.5	3.5
Intangible assets and other investments, net	-12.1	-10.8	-34.0	-28.7	-38.5
Cash flow from investing activities	-30.8	-19.9	-841.5	-107.7	-132.0
Free cash flow	15.9	28.2	-816.4	-40.0	21.9
Changes in non-current loans from credit institutions	-29.2	-22.9	661.8	46.8	-53.8
Changes in current loans from credit institutions	21.5	5.9	46.5	12.7	-0.4
Non-controlling interest, dividend, etc.	0.0	-0.8	0.0	-3.8	-4.4
Cash from disposal of treasury shares / share buyback programme	0.0	-17.0	0.0	-41.8	11.0
Dividends paid	0.0	0.0	0.0	-13.0	-13.0
Cash from issue of new shares / exercise of warrants	0.6	1.2	10.1	7.5	139.5
Cash flow from financing activities	-7.1	-33.6	718.4	8.4	78.9
Net cash flow	8.8	-5.4	-98.0	-31.6	100.8
Cash at bank and in hand at the beginning of the period	50.3	31.1	158.1	58.3	58.3
Currency adjustments	-1.3	0.1	-2.3	-0.9	-1.0
Net cash flow	8.8	-5.4	-98.0	-31.6	100.8
Cash at bank and in hand at the end of the period*	57.8	25.8	57.8	25.8	158.1
*Including cash classified as held for sale/distribution to owners of:	20.5	3.0	20.5	3.0	30.3

Balance sheet

Amounts in EURm	30 September 2017	30 September 2016	31 December 2016
	Assets		
Intangible assets	594.6	366.1	73.5
Property, plant and equipment	709.1	334.4	272.8
Other non-current assets	52.1	84.5	36.0
Total non-current assets	1,355.8	785.0	382.3
Inventories	219.6	349.8	142.1
Receivables and income tax	332.1	452.0	207.6
Interest-bearing receivables	0.1	7.4	1.6
Cash at bank and in hand	37.3	22.8	127.8
Assets classified as held for sale	0.0	111.6	52.7
Assets classified as held for distribution to owners	840.6	0.0	833.0
Total current assets	1,429.7	943.6	1,364.8
Total assets	2,785.5	1,728.6	1,747.1
Equity and liabilities			
Equity attributable to equity holders of NKT A/S	993.3	760.2	951.4
Non-controlling interest	0.0	0.0	0.0
Total equity	993.3	760.2	951.4
Deferred tax	54.5	42.5	8.0
Pension liabilities	53.3	54.6	53.1
Provisions	30.4	20.8	12.8
Interest-bearing loans and borrowings	744.6	185.0	83.0
Total non-current liabilities	882.8	302.9	156.9
Interest-bearing loans and borrowings	22.3	18.6	11.6
Trade and tax payables	561.1	524.2	279.7
Provisions and other liabilities	28.0	40.9	15.8
Liabilities associated with assets classified as held for sale	0.0	81.8	24.6
Liabilities associated with assets classified as held for distribution to owners	298.0	0.0	307.1
Total current liabilities	909.4	665.5	638.8
Total liabilities	1,792.2	968.4	795.7
Total equity and liabilities	2,785.5	1,728.6	1,747.1

Comprehensive income and Equity

Amounts in EURm	Q3 2017	Q3 2016	30 September 2017	30 September 2016	Year 2016
Comprehensive income					
Net profit	17.6	-24.8	62.7	6.0	12.1
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	0.0	0.0	-4.6
<i>Items that may be reclassified to income statement:</i>					
Currency adjustment of foreign subsidiaries and value adjustment of hedging instruments, etc.	-7.2	-0.2	-30.8	-4.4	-1.7
Total comprehensive income for the period	10.4	-25.0	31.9	1.6	5.8
Statement of changes in equity					
Group equity, 1 January			951.4	809.5	809.5
Total comprehensive income for the period			31.9	1.6	5.8
Dividends paid			0.0	-13.1	-13.1
Dividend, treasury shares			0.0	0.1	0.1
Issue of shares			0.0	0.0	135.8
Share issue costs			0.0	0.0	-3.8
Share buyback programme			0.0	-41.8	-41.8
Disposal of treasury shares			0.0	0.0	52.8
Acquisition/disposal of non-controlling interest			0.0	-3.8	-4.4
Share-based payment			-0.1	0.2	3.0
Exercise of warrants			10.1	7.5	7.5
Group equity at the end of the period			993.3	760.2	951.4

Notes

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

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.

The accounting policies are unchanged in relation to the 2016 Annual Report, to which reference should be made. The 2016 Annual Report contains the full text of the accounting policies.

NKT has implemented the standards and interpretations that become effective for 2017. The implementation of standards and interpretations has not influenced recognition and measurement in 2017 or is expected to influence future financial years.

Regarding **accounting estimates**, please refer to Note 1.1 on page 59 of the 2016 Annual Report. Regarding **risks**, please refer to Note 6.6 on page 91 of the 2016 Annual Report and the information contained in the sections on risk management on page 22 and on page 33 of the 2016 Annual Report.

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. By defining NKT as a 'fringe player' - as the only European manufacturer - the European Commission explicitly established that the role of NKT was substantially limited. This is further emphasised by the fact that NKT was the only European manufacturer to receive a 10% reduction

on the fine amount. While the European Commission has assessed that NKT's role was substantially limited and the fine is considerably smaller than those imposed on other cable manufacturers, NKT disagrees with the Commission's decision and has therefore filed an appeal. 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, including claims that have been filed by National Grid, Scottish Power and Vattenfall in the UK. In line with its appeal against the Commission's decision, NKT contests any civil damages claim that is based on this decision.

In relation to the acquisition of ABB HV Cables on 1 March 2017 and NKT Photonics' acquisition of Onefive on 1 September 2017, NKT has assessed preliminary fair values of the acquired net assets and recognised goodwill in the present Interim report. The details can be found in Note 3. The figures may be subject to change.

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 2017', 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 2017 are included in the Management's review.

Note 2 Segment reporting

Amounts in EURm	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Year 2016
Revenue					
NKT revenue in market prices	396.6	257.9	1,060.7	748.7	1,003.7
NKT Photonics	11.2	10.8	29.9	26.9	43.1
Elimination of transactions between segments	0.0	0.0	0.0	0.0	-0.7
NKT A/S revenue in market prices	407.8	268.7	1,090.6	775.6	1,046.1
<i>NKT revenue in std. metal prices</i>	<i>303.2</i>	<i>196.3</i>	<i>776.5</i>	<i>559.7</i>	<i>750.4</i>
<i>NKT A/S revenue in std. metal prices</i>	<i>314.4</i>	<i>207.1</i>	<i>806.4</i>	<i>586.6</i>	<i>792.8</i>
Operational EBITDA					
NKT	43.8	20.5	104.5	54.1	72.5
NKT Photonics	-0.8	0.9	-2.2	0.3	6.3
Parent company	0.0	-0.6	0.0	-2.1	-3.9
NKT A/S operational EBITDA	43.0	20.8	102.3	52.3	74.9
Earnings, EBITDA					
NKT	36.3	-11.6	77.3	17.5	26.2
NKT Photonics	-0.8	0.9	-2.2	0.3	6.3
Parent company	0.0	-0.6	0.0	-2.1	-4.6
NKT A/S EBITDA	35.5	-11.3	75.1	15.7	27.9
Segment profit, EBIT					
NKT	13.3	-21.0	25.3	-10.6	-10.6
NKT Photonics	-1.8	-0.1	-5.4	-2.7	1.5
Parent company	0.0	-0.6	0.0	-2.1	-4.6
NKT A/S EBIT	11.5	-21.7	19.9	-15.4	-13.7
Capital Employed					
NKT			1,120.7	374.4	348.4
NKT Photonics			62.6	45.0	49.3
Parent company			0.0	-4.7	-5.4
Nilfisk, discontinued operations			530.1	520.1	490.7
NKT A/S Capital Employed			1,713.4	934.8	883.0

Note 3 Acquisition of businesses

Acquisitions 2017

Amounts in EURm (preliminary)		OneFive NKT Photonics	ABB HV Cables NKT	Total
<i>Non-current assets</i>	Intangible assets	10.0	114.9	124.9
	Tangible assets	0.2	453.2	453.4
<i>Current assets</i>	Inventories	1.7	46.1	47.8
	Receivables	3.3	76.6	79.9
	Cash at bank and in hand	2.8	14.4	17.2
<i>Non-current liabilities</i>	Deferred tax	-2.1	-41.0	-43.1
	Provisions	0.0	-10.0	-10.0
<i>Current liabilities</i>	Interest-bearing loans and borrowings	0.0	0.0	0.0
	Payables and provisions	-2.5	-238.7	-241.2
	Net assets acquired	13.4	415.5	428.9
	Goodwill	12.7	382.0	394.7
	Purchase consideration	26.1	797.5	823.6
	Cash acquired	-2.8	-14.4	-17.2
	Deferred purchase consideration	-1.9	0.0	-1.9
	Deferred contingent purchase consideration	-7.0	0.0	-7.0
	Cash purchase consideration	14.4	783.1	797.5
	Interest-bearing loans and borrowings acquired	0.0	0.0	0.0

Effective from 1 March 2017, NKT acquired ABB HV Cables. Please refer to the Management's review for further details.

Fair value of acquired net assets and recognised goodwill

The integration of ABB HV Cables is ongoing, which means that net assets and goodwill may be adjusted and off-balance sheet items may be recorded for up to 12 months from the date of the acquisition in compliance with IFRS 3.

Goodwill represents the value of personnel and anticipated synergies arising from merger of the existing activities of NKT. Goodwill is not tax deductible.

Impact on income statement

The acquired ABB HV Cables activities contributed with revenue of EUR 306.6m, operational EBITDA of EUR 72.9m and net profit of EUR 25.4m for the period 1 March – 30 September 2017.

On a pro forma basis, if the business had been acquired as of 1 January 2017, the contribution from revenue would have been EUR 386.4m. As ABB HV Cables not was a stand-alone entity within the ABB Group, it did not have reported stand-alone historical financial statements. On the basis of this, it has not been possible to provide a reliable estimate for the operational EBITDA and net profit, as if it had been part of NKT since 1 January 2017.

Acquisition of Onefive

Effective from 1 September 2017, NKT Photonics acquired Onefive. Please refer to the Management's review for further details.

Onefive is a leading supplier of ultrafast Lasers. The company employs 41 people mainly in Zurich, where the main production facilities are located, and in a smaller site in Berlin under the name Advanced Laser Diode Systems. The impact on the financial statements is not material.

Note 4 Divestment of businesses

In October 2016, NKT entered into an agreement to divest its Automotive cable activities to a subsidiary of the German-based Wilms Group. The activities cover automotive cables, flexible cables and special cables and

include a plant located in Vrchlábí, Czech Republic, with around 400 employees. The transaction was closed 30 April 2017 cf. Company Press Release of 28 April 2017. The impact on the financial statements is not material.

Note 5 Discontinued operations

Due to the split of NKT A/S into two listed entities, Nilfisk is treated as discontinued operations per 30 September 2017. The demerger of NKT A/S was adopted by the shareholders on 10 October 2017 cf. Note 6, events after balance sheet date.

Specifications of Nilfisk's income and Balance Sheet statement are disclosed in the table below.

Amounts in EURm	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Year 2016
Discontinued operations					
Nilfisk:					
Income statement					
Revenue	252.7	250.3	801.7	782.2	1,058.5
Costs and other income	-233.6	-232.8	-718.5	-705.0	-961.7
Depreciation, amortisation and impairment*	0.0	-16.6	0.0	-36.1	-42.8
Financial items, net	-1.8	-2.2	-6.2	-9.2	-11.0
Earnings from operations before tax (EBT)	17.3	-1.3	77.0	31.9	43.0
Tax on operations	-4.9	0.3	-21.6	-8.0	-13.4
Profit from discontinued operations	12.4	-1.0	55.4	23.9	29.6
*Depreciation and amortisation is, in accordance with IFRS rules for discontinued operations, ceased with effect from Dec. 2016.					
Cash flow					
Cash flow from operating activities	16.2	31.9	10	57.2	115.1
Cash flow from investing activities	-6.5	-10.0	-23.7	-60.3	-69.6
Assets and associated liabilities held for distribution to owners					
Intangible assets			297.7	-	299.7
Property, plant and equipment			68.5	-	61.6
Other non-current assets			33.3	-	57.6
Inventories			195.1	-	173.3
Receivables			221.2	-	206.1
Interest-bearing receivables			4.3	-	6.2
Cash at bank and in hand			20.5	-	28.5
Total assets held for distribution to owners			840.6	-	833.0
Deferred tax			22.6	-	41.0
Pension liabilities			6.9	-	7.5
Provisions			6.5	-	6.8
Interest-bearing loans and borrowings			0.4	-	0.2
Interest-bearing loans and borrowings, current liabilities			15.0	-	2.7
Trade payables and other liabilities, current liabilities			246.6	-	248.9
Total liabilities associated with assets held for distribution to owners			298.0	-	307.1

Note 6 Other notes

Amounts in EURm	30 September 2017	30 September 2016	31 December 2016
Net interest-bearing debt			
Interest-bearing loans and borrowings, non-current	744.6	185.0	83.0
Interest-bearing loans and borrowings, current	22.3	18.6	11.6
Interest-bearing receivables	-0.1	-7.4	-1.6
Cash at bank and in hand	-37.3	-22.8	-127.8
Net interest-bearing debt classified as held for sale	0.0	1.2	-1.8
Net interest-bearing debt classified as held for distribution to owners	-9.4	0.0	-31.8
Net interest-bearing debt	720.1	174.6	-68.4
Working capital			
Inventories	219.6	349.8	142.1
Receivables and income tax	332.1	452.0	207.6
Trade and tax payables	-561.1	-524.2	-279.7
Working capital classified as held for sale	0.0	8.4	3.5
Working capital classified as held for distribution to owners	169.8	0.0	143.5
Working capital	160.4	286.0	217.0

Note 7 Events after the balance sheet date

The demerger of NKT A/S was adopted by the shareholders on 10 October 2017. Financial effect is disclosed in the table below.

Financial effect of Nilfisk demerged from NKT A/S

Amounts in EURm	Net Profit	Equity	Capital employed	Net interest-bearing debt	Distributed to shareholders
Reported YTD 2017	62.7	993.3	1,713.4	720.1	0.0
Demerger:					
Book value transferred to Nilfisk Holding		-152.5	-532.4	-379.9	152.5
Revaluation to market value of shares distributed	886.8				886.8
Effect from demerger	886.8	-152.5	-532.4	-379.9	1,039.3
Proforma YTD 2017	949.5	840.8	1,181.0	340.2	1,039.3

Note 8 Definitions

Items below refer to the Financial Highlights contained on page 29.

- 1. Revenue in std. metal prices** - Revenue in std. metal prices for copper and aluminium fixed 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. Operational earnings before interest, tax, depreciation and amortisation (Oper. EBITDA)** - Earnings before interest, tax, depreciation and amortisation (EBITDA) adjusted for one-off items.
- 4. Operational earnings before interest and tax (Oper. EBIT)** - Earnings before interest and tax (EBIT) adjusted for one-off items.
- 5. Net interest-bearing debt** - Cash, investments and interest-bearing receivables less interest-bearing debt.
- 6. Capital employed** - Group equity plus net interest-bearing debt.
- 7. Working capital** - Current assets minus current liabilities (excluding interest-bearing items and provisions).
- 8. Net interest-bearing debt relative to operational EBITDA** - Operational EBITDA is calculated including discontinued operations on a rolling 12-months basis (LTM).
- 9. Solvency ratio (equity as a percentage of total assets)** - Equity excl. non-controlling interest as a percentage of total assets.
- 10. Return on capital employed (RoCE)** - Operational EBIT as a percentage of average capital employed. Calculated including discontinued operations on a rolling 12-months basis (LTM).
- 11. Earnings, EUR per outstanding share (EPS)** - Earnings attributable to equity holders of NKT A/S relative to average number of outstanding shares (EPS).
- 12. Equity value, EUR per outstanding share** - Equity attributable to equity holders of NKT A/S at period end per outstanding share at period end. Dilutive effect from 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 Q3 2017 was published on 15 November 2017 and released through Nasdaq Copenhagen. The report is also available at investors.nkt.com.

NKT A/S, Vibeholms Allé 25, DK-2605 Brøndby, Denmark.
Company reg. no. 62 72 52 14.
Photos: Courtesy of NKT.

Investor Relations contact

Michael Nass Nielsen
Tel: +45 2494 1654
ir@nkt.com

Financial highlights and ratios

Amounts in EURm	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Year 2016
Income statement					
Revenue	407.8	268.7	1,090.6	775.6	1,046.1
Revenue in std. metal prices ¹⁾	314.4	207.1	806.4	586.6	792.8
Operational earnings before interest, tax, depreciation and amortisation (Oper. EBITDA) ³⁾	43.0	20.8	102.3	52.3	74.9
Earnings before interest, tax, depreciation and amortisation (EBITDA)	35.5	-11.3	75.1	15.7	27.9
Depreciation and impairment of property, plant and equipment	-17.7	-8.4	-43.1	-25.2	-33.0
Amortisation and impairment of intangible assets	-6.3	-2.0	-12.1	-5.9	-8.6
Operational earnings before interest and tax (Oper. EBIT) ⁴⁾	19.0	10.4	47.1	21.2	33.3
Earnings before interest and tax (EBIT)	11.5	-21.7	19.9	-15.4	-13.7
Financial items, net	-3.5	0.1	-11.4	3.0	5.7
Earnings before tax (EBT)	8.0	-21.6	8.5	-12.4	-8.0
Net profit from continuing operations	5.2	-23.8	7.3	-17.9	-17.5
Net profit from discontinued operations	12.4	-1.0	55.4	23.9	29.6
Net profit	17.6	-24.8	62.7	6.0	12.1
Profit attributable to equity holders of NKT A/S	17.6	-24.8	62.7	6.0	12.1
Cash flow					
*Cash flow from operating activities	46.7	48.1	25.1	67.7	153.9
*Cash flow from investing activities	-30.8	-19.9	-841.5	-107.7	-132.0
*hereof acquisition and divestment of business	-9.8	-0.2	-771.1	-53.2	-56.3
*hereof investments in property, plant and equipment	-8.9	-9.0	-37.5	-27.3	-40.7
*Free cash flow	15.9	28.2	-816.4	-40.0	21.9
Balance sheet					
Share capital	72.8	65.5	72.8	65.5	72.0
*Equity attributable to equity holders of NKT A/S	993.3	760.2	993.3	760.2	951.4
*Non-controlling interest	0.0	0.0	0.0	0.0	0.0
*Group equity	993.3	760.2	993.3	760.2	951.4
*Total assets	2,785.5	1,728.6	2,785.5	1,728.6	1,747.1
*Net interest-bearing debt ⁵⁾	720.1	174.6	720.1	174.6	-68.4
*Capital employed ⁶⁾	1,713.4	934.8	1,713.4	934.8	883.0
*Working capital ⁷⁾	160.4	286.0	160.4	286.0	217.0
Financial ratios and employees					
Operational EBITDA margin, continuing operations (std. metal prices)	13.7%	10.0%	12.7%	8.9%	9.4%
*Gearing (net interest-bearing debt as % of Group equity)	72%	23%	72%	23%	-7%
*Net interest-bearing debt relative to operational EBITDA ⁸⁾	2.6	1.0	2.6	1.0	-0.4
*Solvency ratio (equity as % of total assets) ⁹⁾	36%	44%	36%	44%	54%
*Return on capital employed (RoCE) (LTM) ¹⁰⁾	14.0%	10.5%	14.0%	10.5%	11.7%
Number of DKK 20 shares ('000)	27,126	24,398	27,126	24,398	26,835
Number of treasury shares ('000)	0	948	0	948	0
*Earnings, EUR per outstanding share (EPS) ¹¹⁾	0.6	-1.0	2.3	0.3	0.5
Dividend paid, DKK per share	0.0	0.0	0.0	4.0	4.0
*Equity value, EUR per outstanding share ¹²⁾	37	32	37	32	35
*Market price, DKK per share	539	427	539	427	499
*Number of full-time employees, average	9,250	9,076	9,250	9,076	8,958

^{1) - 12)} Definitions appear in Note 8. *) Including discontinued operations

Financial highlights and ratios are calculated as defined in the 2016 Annual Report.

NKT A/S
Vibeholms Allé 25
DK-2605 Brøndby
Denmark