



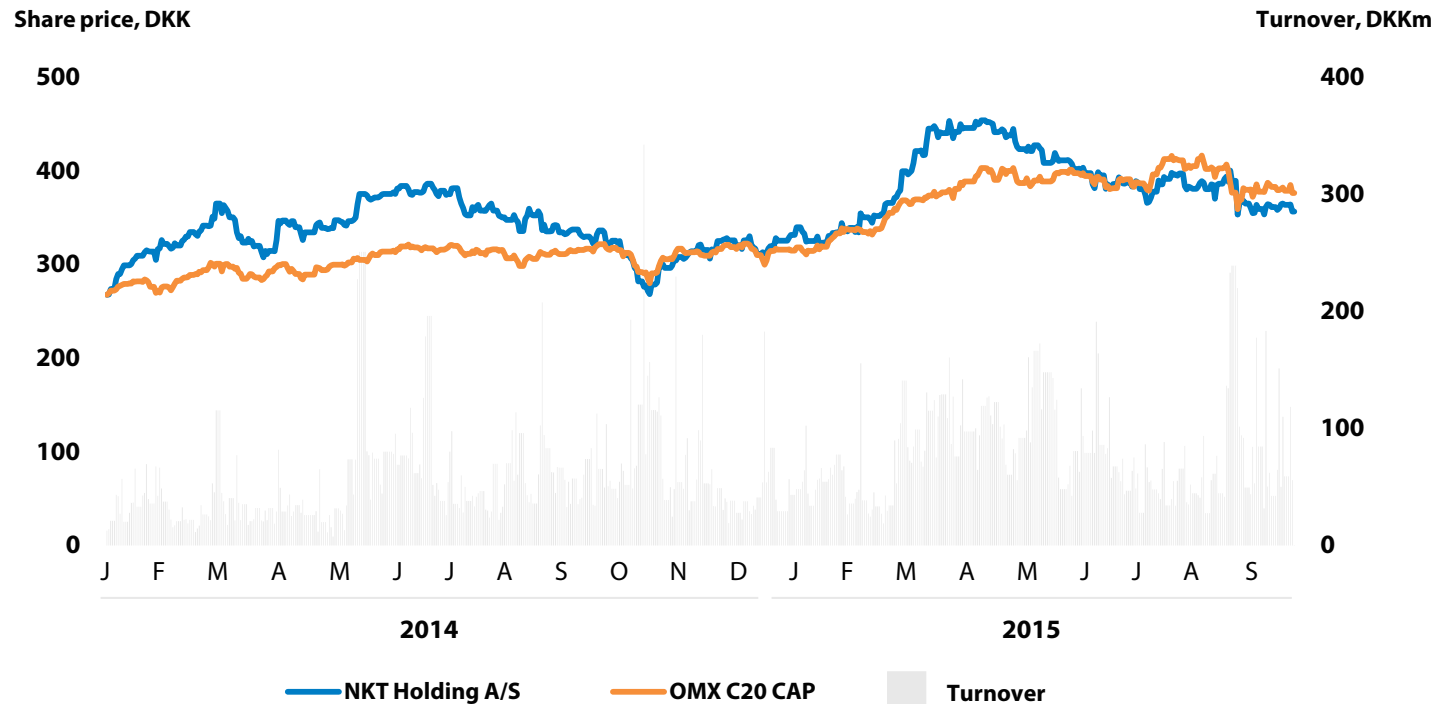
Introduction



Michael Hedegaard Lyng
Group Executive Director

NKT share price increased 33% since 2014

Share price and turnover



- Among the 30 most traded shares
- One share class, 100% free float, no voting restrictions
- Followed by 10 Danish analysts
- ~ 50% of share capital registered outside Denmark
- ~ 14% of share capital is not registered
- Major shareholders with >5% of share capital
 - ATP (Denmark)
 - Nordea Invest (Luxembourg)
 - Nordea Funds Oy, Danish Branch

Note: Share price adjusted for dividends
Source: Bloomberg

Continuing the modernisation of the NKT Holding model

Recent changes of the NKT Holding ownership model

● August 2013

First change

- Governance model changed
- Board committees directly engaged in business units
- Direct reporting from business unit management to the Board of Directors

● 2013-2014

Execution

- Focus on driving active ownership
- Increased focus on e.g. NKT Cables profitability and Nilfisk growth

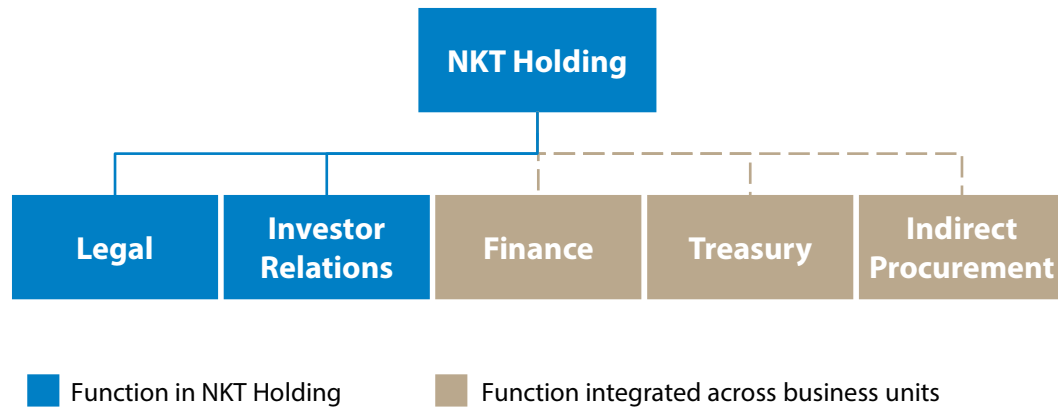
● Autumn 2015

Second change

- Sharpened focus on active ownership role
- **New** integration of Finance and Treasury into the business units
- **New** role of NKT Holding as lean Executive Office with pure focus on active ownership

Sharpened focus on active ownership

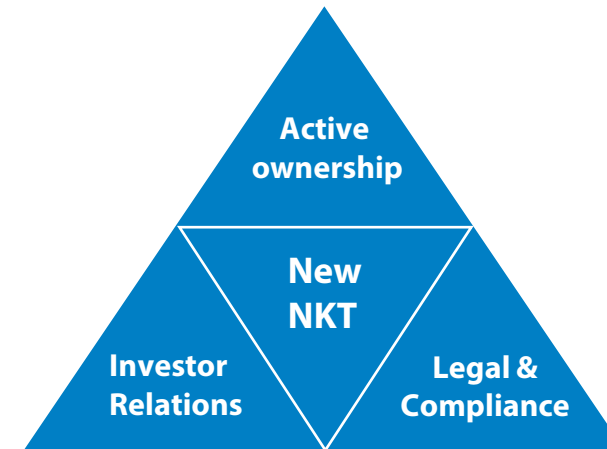
New structure of NKT Holding



Outplacement of NKT Holding's operational tasks

- Finance and Treasury functions to be integrated into the business units
- Brings these functions closer to the businesses
- Indirect Procurement already integrated across business units

Sharpened focus in NKT Holding

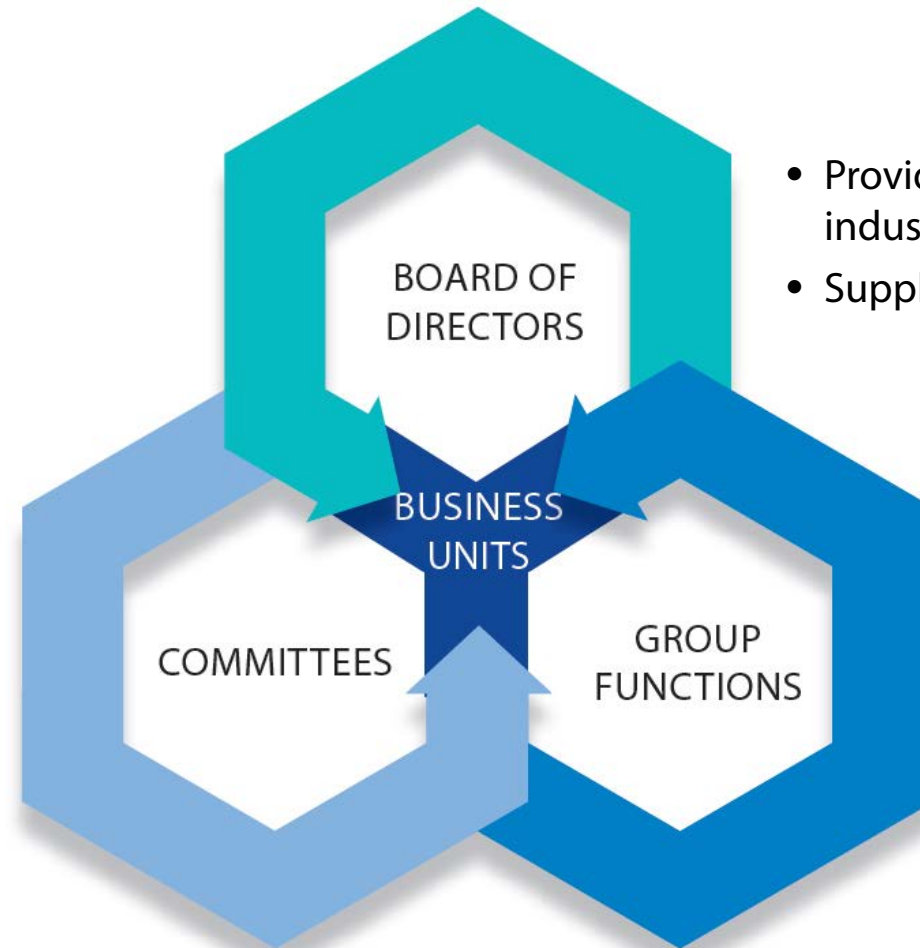


Strong executive team to lead NKT Holding

- Michael Hedegaard Lyng will maintain managing role
- Investor Relations continues to be a key focus area
- Legal & Compliance working across companies

Unique NKT Holding model ensures efficient decision making...

- Committees consist of two Board members and Group Function representatives
- Enables efficient, flexible, and transparent decision-making processes

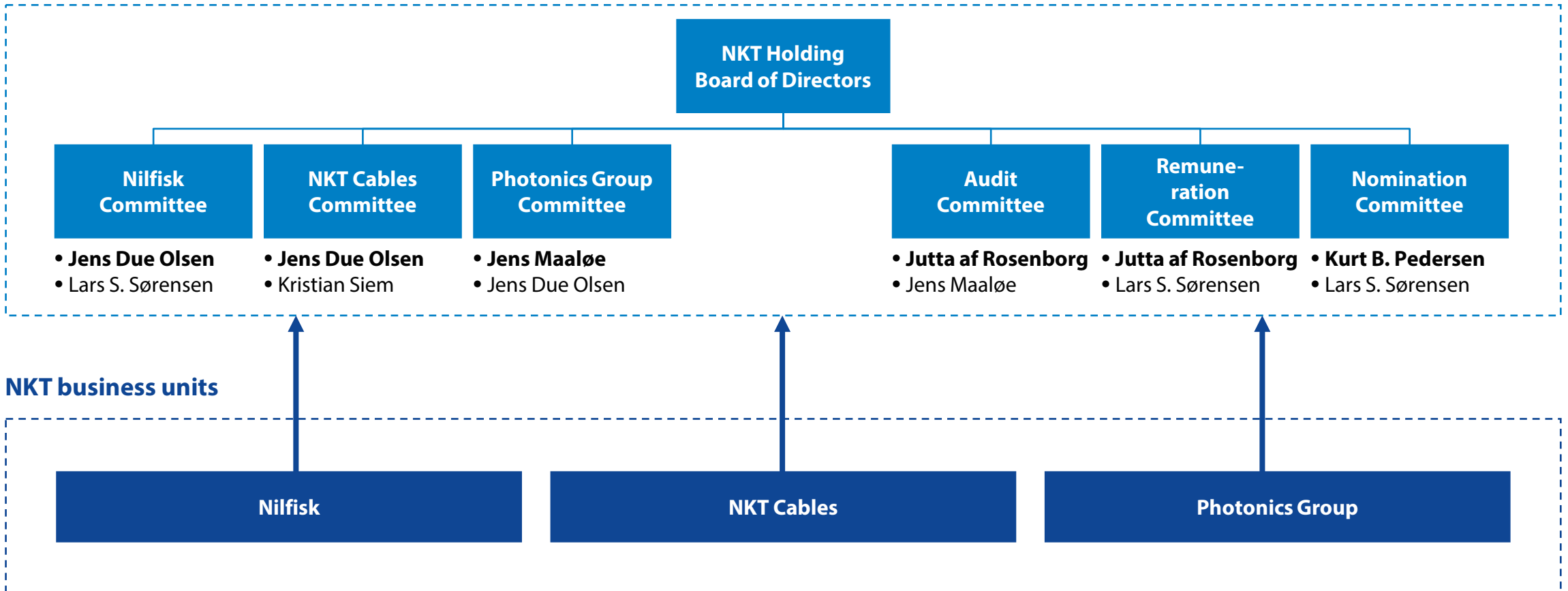


- Provides competences relating to international industrial management and business development
- Supplies industry-specific knowledge

- Active role in value creation in close partnership with the Board and business unit managements, e.g. through committee meetings
- Sharpened focus on Investor Relations and Legal & Compliance

... through hands-on involvement by the Board of Directors

NKT Holding Board committees



Note: Committee chair in bold

Clear value creation themes defined for each business unit



GROWTH

- Commercial Excellence
- Front-end investments
- Consolidation via M&A

Revenue (DKK)	6,836m
EBITDA margin	11.7%



PROFITABILITY

- DRIVE cost programme
- Transformation
- Capital efficiency

Revenue (DKK)	8,738m
Oper. EBITDA margin	8.0%



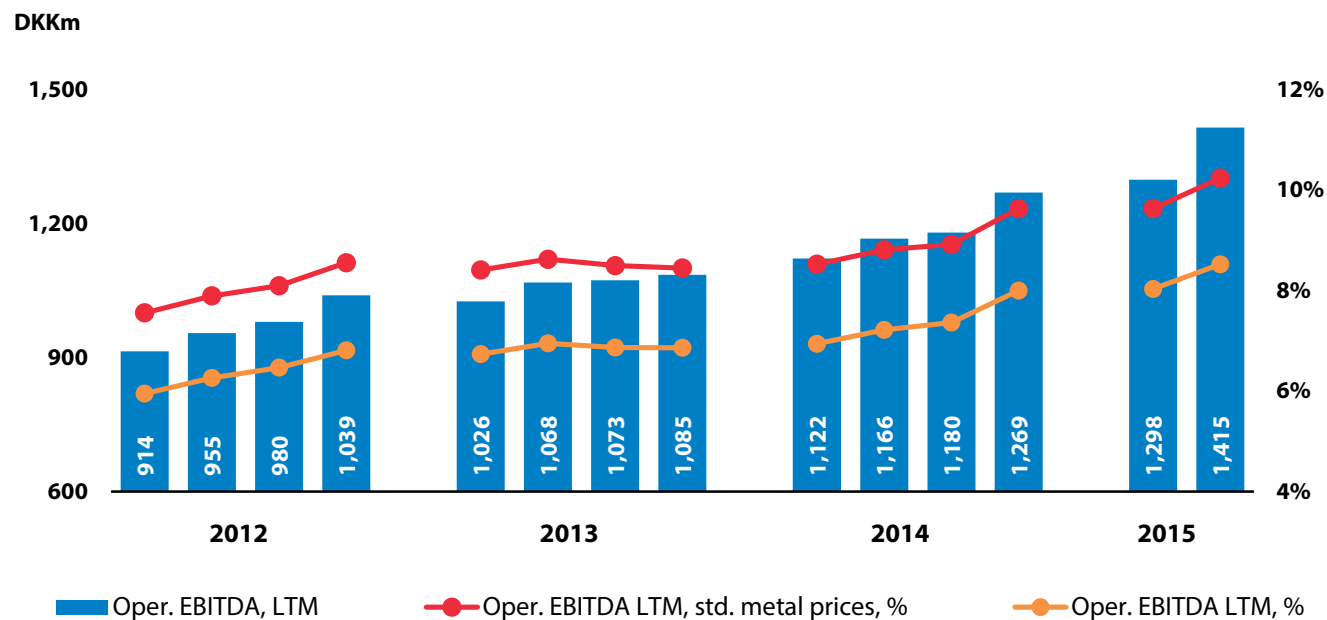
COMMERCIAL SCALE

- Execution on core business strategy
- System offerings

Revenue (DKK)	290m
EBITDA margin	7.2%

~55% increase in operational EBITDA since 2012

Operational EBITDA, LTM

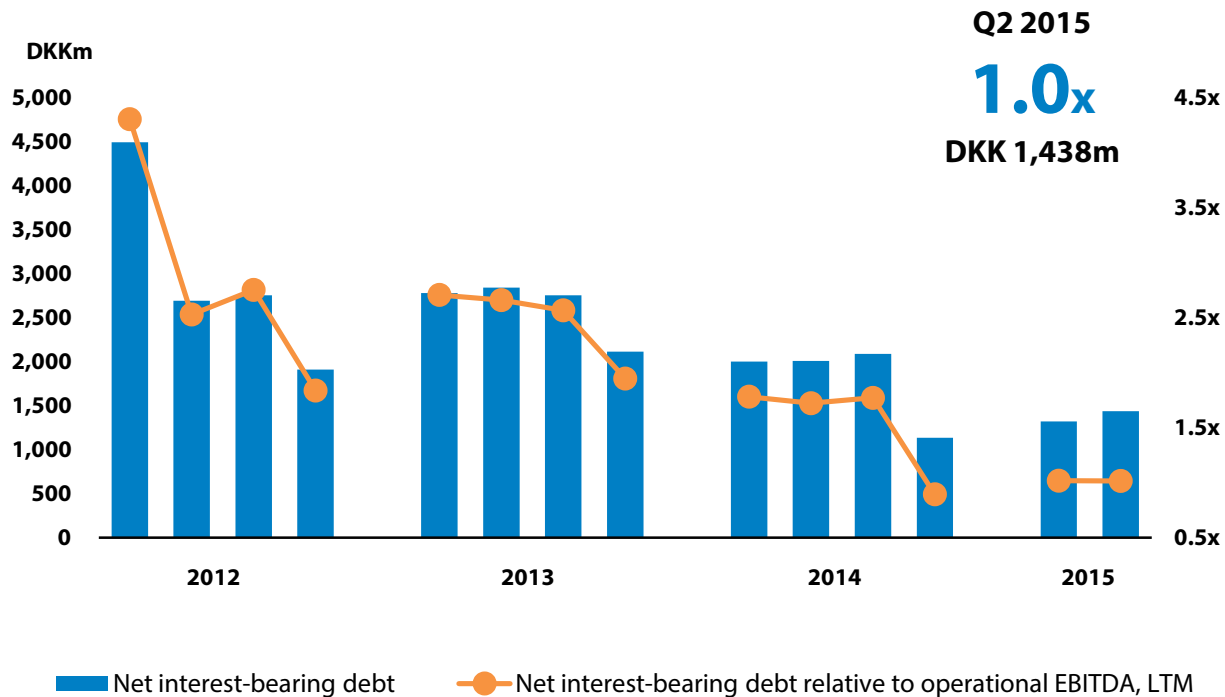


Operational EBITDA, increased to DKK 1,415m (2012 Q1: DKK 914m)

Operational EBITDA margin increased to 10.2% (2012 Q1: 7.6%)

Solid capital structure allows focus on long-term value creation

Net interest-bearing debt



- **Capital structure targets unchanged**
 - **Debt ratio** 2,5x operational EBITDA (Q2 2015: 1.0x)
 - **Gearing ratio** max. 100% (Q2 2015: 24%)
 - **Solvency ratio** above 30% (Q2 2015: 43%)
- **Strong balance sheet and significant cash flow** allow us to pursue long-term value creation
- **Dividend policy unchanged** at 33% payout ratio

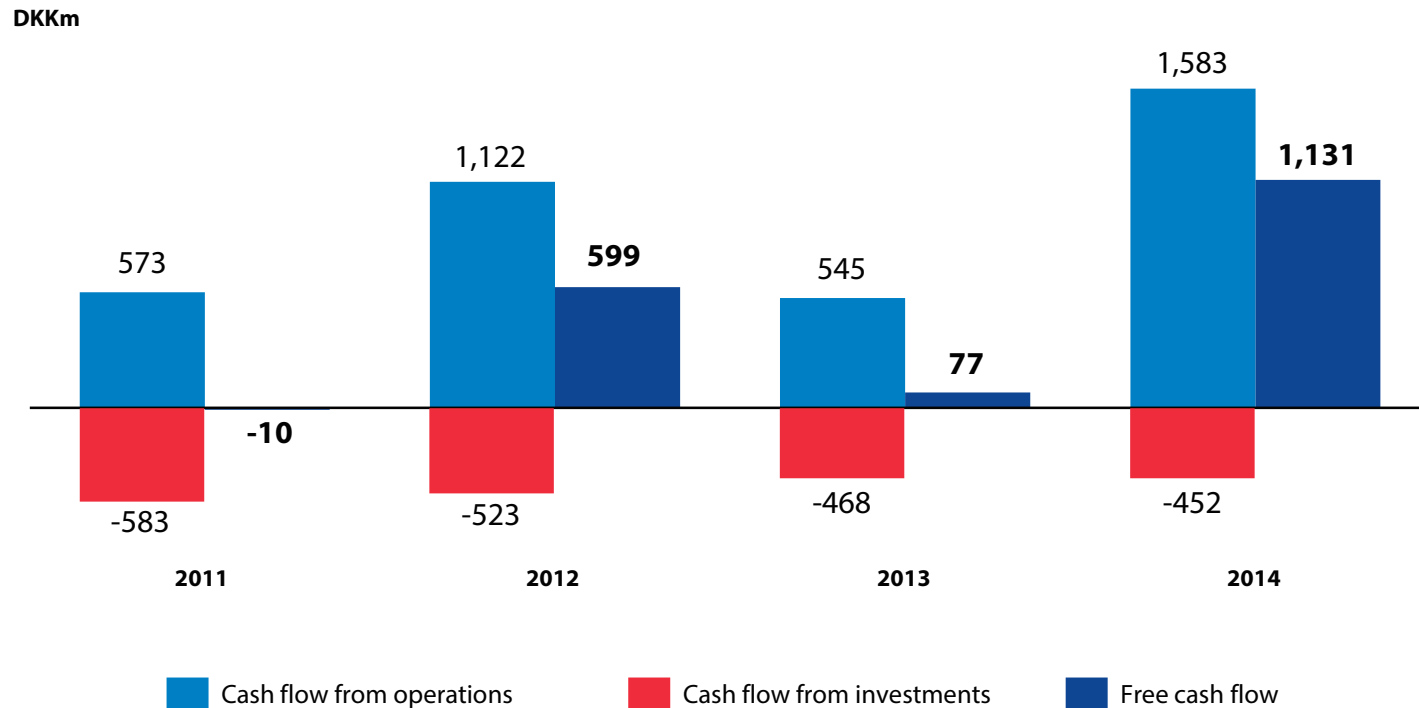
Facilities of DKK ~3.8bn available

DKKbn	2015 Q2	2014 Q4
Committed (>3 years)	4.4	3.8
Committed (<3 years)	0.0	1.0
Committed total	4.4	4.8
Total facilities	5.3	5.8
Facilities available	3.8	4.6
Average duration (years)	4.2	3.8

- **Committed facilities lowered** to reflect decreased NIBD and reduce cost of credit lines
- **Increased duration of committed facilities** through recent refinancing
- **No financial covenants** on loans

Cash flow improved significantly

Operational, investment, and free cash flows



- **Strong free cash flow**
- Long-term **working capital % expected at ~15%**
- Annual maintenance **CAPEX of DKK ~250m**
- Long-term **tax rate ~27%**
- **Net tax assets of DKK 412m**

Note: Cash flow from investments and Free cash flow adjusted for M&A activities

Key messages

Sharpened focus on active ownership



- Group functions transformed into **lean Executive Office**
- Clearly defined themes for **long-term value creation in business units** with firepower **to support growth**
- **Nilfisk** 'Accelerate' growth to unleash value of asset-light operating model
- **NKT Cables** transformation to increase profitability and returns through EXCELLENCE 2020
- **Photonics Group** commercialisation via ambitious growth targets