



# Q3 2022 Roadshow

**NTG Nordic Transport Group**

November 2022

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## Today's presenters

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**MICHAEL LARSEN**

Group CEO



**CHRISTIAN D. JAKOBSEN**

Group CFO

# AGENDA

Highlights

Financial review

Other key figures

Outlook

Appendix



# Q3 2022 highlights

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MARKET DYNAMICS  
GRADUALLY CHANGING



CAPACITY SITUATION  
STABILISING IN R&L



SOFTENING MARKET  
CONDITIONS IN A&O



DOUBLE-DIGIT TOPLINE  
AND PROFIT GROWTH



FULL-YEAR OUTLOOK  
MAINTAINED

## Financial review: Group (I/II)

DKKkm	Q3			YTD		
	2022	2021	Δ	2022	2021	Δ
Net revenue	2,821	1,870	50.9%	7,728	5,130	50.6%
Gross profit	533	369	44.7%	1,494	1,031	45.0%
Adjusted EBIT	209	143	46.8%	586	382	53.5%
Gross margin	18.9%	19.7%	(0.8) p.p.	19.3%	20.1%	(0.8) p.p.
Operating margin	7.4%	7.6%	(0.2) p.p.	7.6%	7.4%	0.2 p.p.
Conversion ratio	39.2%	38.7%	0.5 p.p.	39.2%	37.0%	2.2 p.p.

### Net revenue growth components (year-on-year)

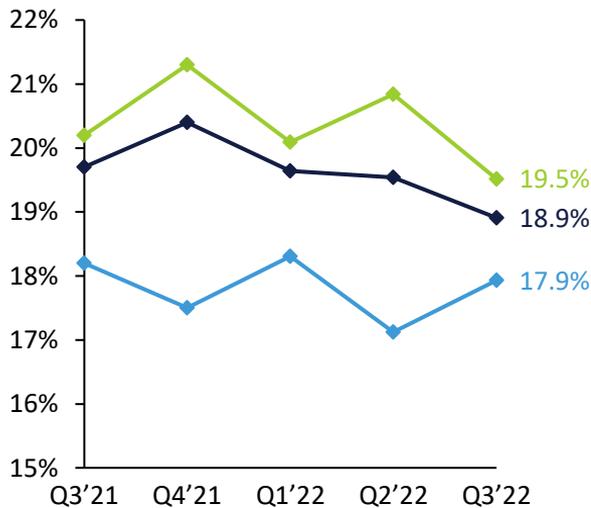
	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q3 2022	(0.2)%	0.2%	17.1%	<b>17.1%</b>	35.7%	(1.9)%	<b>50.9%</b>
YTD 2022	(0.4)%	0.1%	23.1%	<b>22.8%</b>	29.4%	(1.6)%	<b>50.6%</b>

### COMMENTS

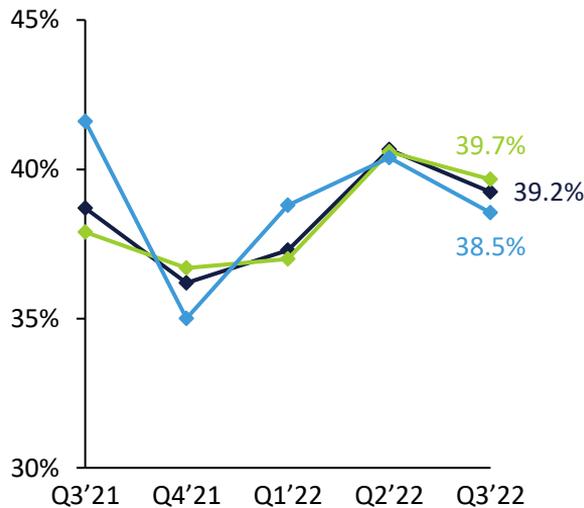
- Strong results across both divisions in Q3 2022 with double-digit growth in net revenue and operating profit.
- Organic growth mainly driven by price increases in light of increasing input factor costs introduced in late 2021 and 2022 within the Road & Logistics division.
- Operating margin development driven by the Air & Ocean division.

# Financial review: Group (II/II)

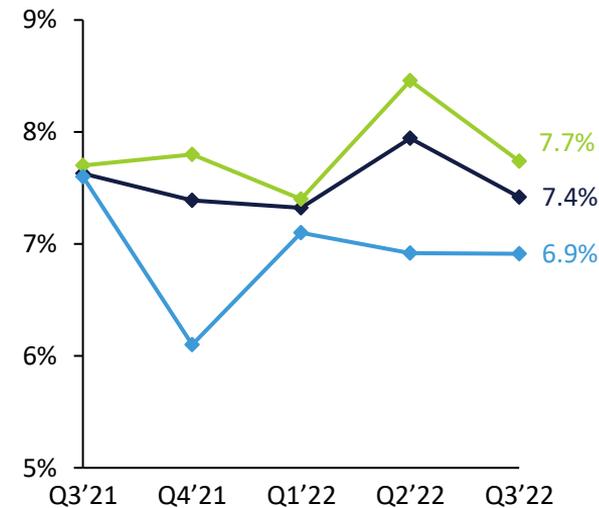
### Gross margin<sup>1</sup>



### Conversion ratio<sup>1</sup>



### Operating margin



◆ Group ◆ Road & Logistics ◆ Air & Ocean

1) Terminal-related costs, previously included in other external expenses and staff costs, were included in direct costs as of 1 January 2022. Figures for previous periods have been restated.

## Financial review: Road & Logistics

DKKkm	Q3			YTD		
	2022	2021	Δ	2022	2021	Δ
Net revenue	1,730	1,392	24.3%	5,151	3,896	32.2%
Gross profit	338	282	19.8%	1,038	790	31.4%
Adjusted EBIT	134	107	25.5%	406	301	35.2%
Gross margin	19.5%	20.2%	(0.7) p.p.	20.2%	20.3%	(0.1) p.p.
Operating margin	7.7%	7.7%	0.0 p.p.	7.9%	7.7%	0.2 p.p.
Conversion ratio	39.7%	37.9%	1.8 p.p.	39.1%	38.1%	1.0 p.p.

### Net revenue growth components (year-on-year)

	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q3 2022	(0.3)%	0.0%	21.0%	<b>20.7%</b>	6.7%	(3.1)%	<b>24.3%</b>
YTD 2022	(0.4)%	0.0%	21.6%	<b>21.2%</b>	13.7%	(2.7)%	<b>32.2%</b>

### COMMENTS

- Gradual stabilisation of capacity situation in Q3 2022.
- Organic growth driven by surcharges and elevated spot rates.
- Gross margin decrease driven by increasing cost of procuring capacity.
- Increased gross profit per shipment and persistent cost control resulted in conversion ratio improvement.

## Financial review: Air & Ocean

DKKkm	Q3			YTD		
	2022	2021	Δ	2022	2021	Δ
Net revenue	1,091	477	128.7%	2,577	1,234	108.9%
Gross profit	196	87	125.6%	456	241	89.3%
Adjusted EBIT	75	36	108.9%	179	81	122.6%
Gross margin	17.9%	18.2%	(0.3) p.p.	17.7%	19.5%	(1.8) p.p.
Operating margin	6.9%	7.6%	(0.7) p.p.	7.0%	6.5%	0.5 p.p.
Conversion ratio	38.5%	41.6%	(3.1) p.p.	39.3%	33.4%	5.9 p.p.

### Net revenue growth components (year-on-year)

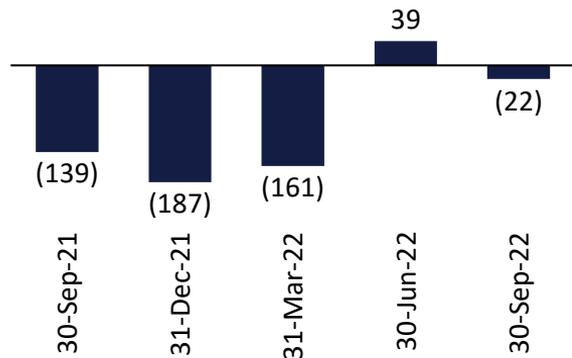
	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q3 2022	0.0%	0.7%	6.4%	<b>7.1%</b>	120.2%	1.4%	<b>128.7%</b>
YTD 2022	(0.7)%	0.3%	28.2%	<b>27.8%</b>	79.0%	2.1%	<b>108.9%</b>

### COMMENTS

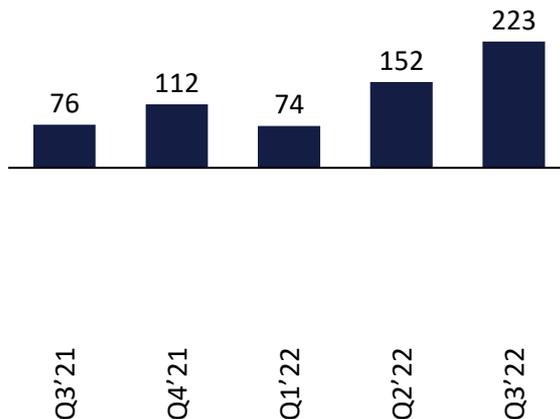
- Softening market conditions with freight rates declining by double-digit figures.
- Organic growth driven by PL and DK, partially offset by declining rates and lower volumes with certain customers.
- Acquisition of AGL resulted in gross margin decrease.
- Operating margin driven by development in the gross margin and conversion ratio.

# Other key figures

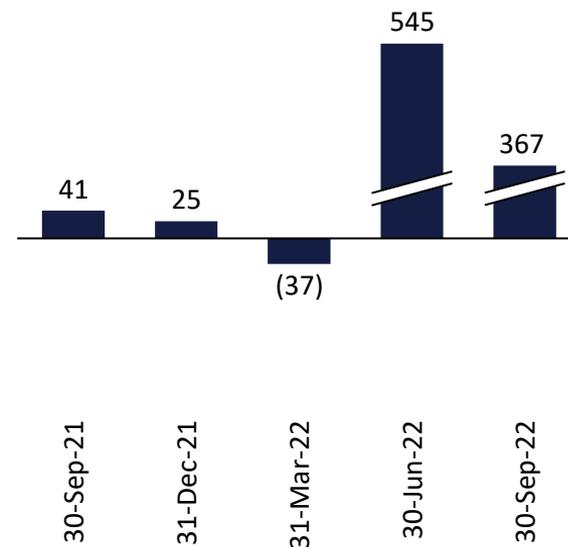
## Net working capital (DKKkM)



## Adjusted free cash flow<sup>1</sup> (DKKkM)



## Net interest-bearing debt<sup>2</sup> (DKKkM)



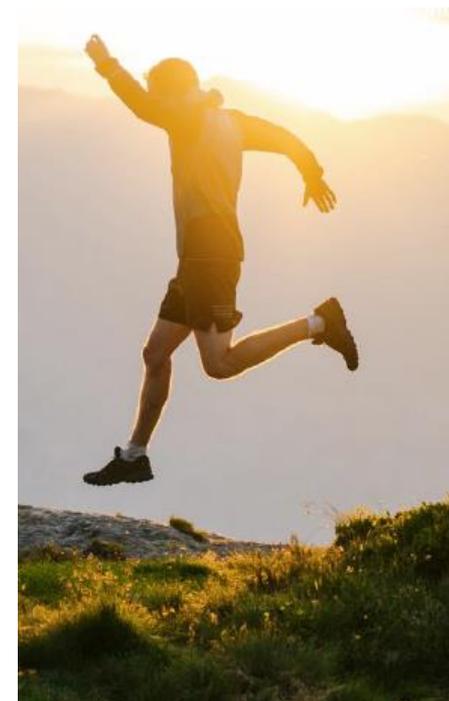
1) Cash flow from operating activities + cash flow from investing activities + special items (addback) – repayment of lease liabilities + acquisition of business activities (addback). 2) Excluding IFRS 16.

# Full-year outlook 2022

DKKm	2021 realised	2022 outlook
Net revenue	7,301.9	9,700 – 10,200
Adjusted EBIT	542.0	700 – 750

## Principal assumptions

- Gradual normalisation in the second half of the year.
- Stable macroeconomic environment with no additional material adverse events affecting regional and global cargo volumes and trade patterns.
- Assumptions underlying the outlook may change.



# Appendix



# Business model of NTG

— NTG core competencies



- ✓ **Asset-light business model**
- ✓ **Focus on road, air, and ocean freight**
- ✓ **Ability to offer end-to-end solutions**

# NTG at a glance

Founded



2011

Revenue<sup>1</sup> (DKK)



7.3bn

Employees<sup>2</sup>



2,051

Revenue CAGR 2016-2021



28%

Operational subsidiaries<sup>2</sup>



65

Active in 22 countries

Adj. EBIT<sup>1</sup> (DKK)



542m

Operating margin of 7.4%

ROIC before tax<sup>1</sup>



50.8%

Conversion ratio<sup>1</sup>



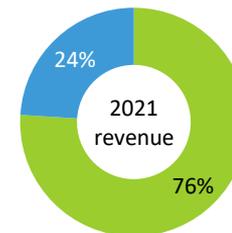
34.0%

## Business segments

Road & Logistics

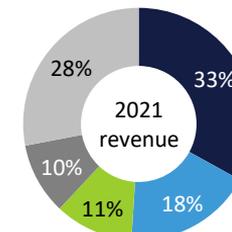


Air & Ocean



 Road & Logistics  Air & Ocean

## Geographical footprint

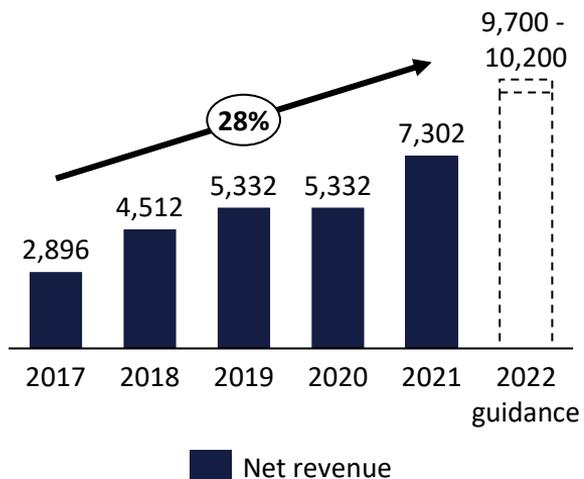


 Denmark  Germany  Other  
 Sweden  Finland

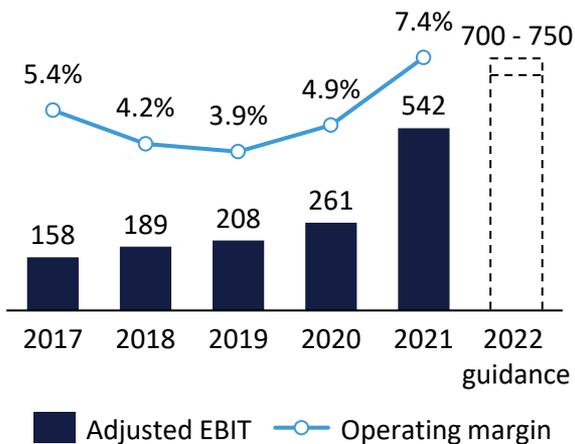
1) 2021 figures. 2) As per 30 September 2022.

# Five-year overview

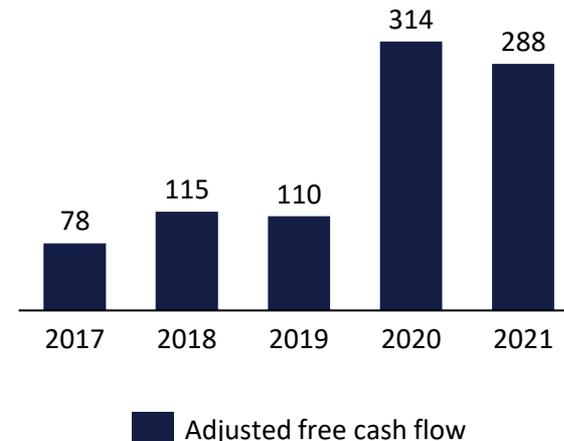
Net revenue (DKKm)



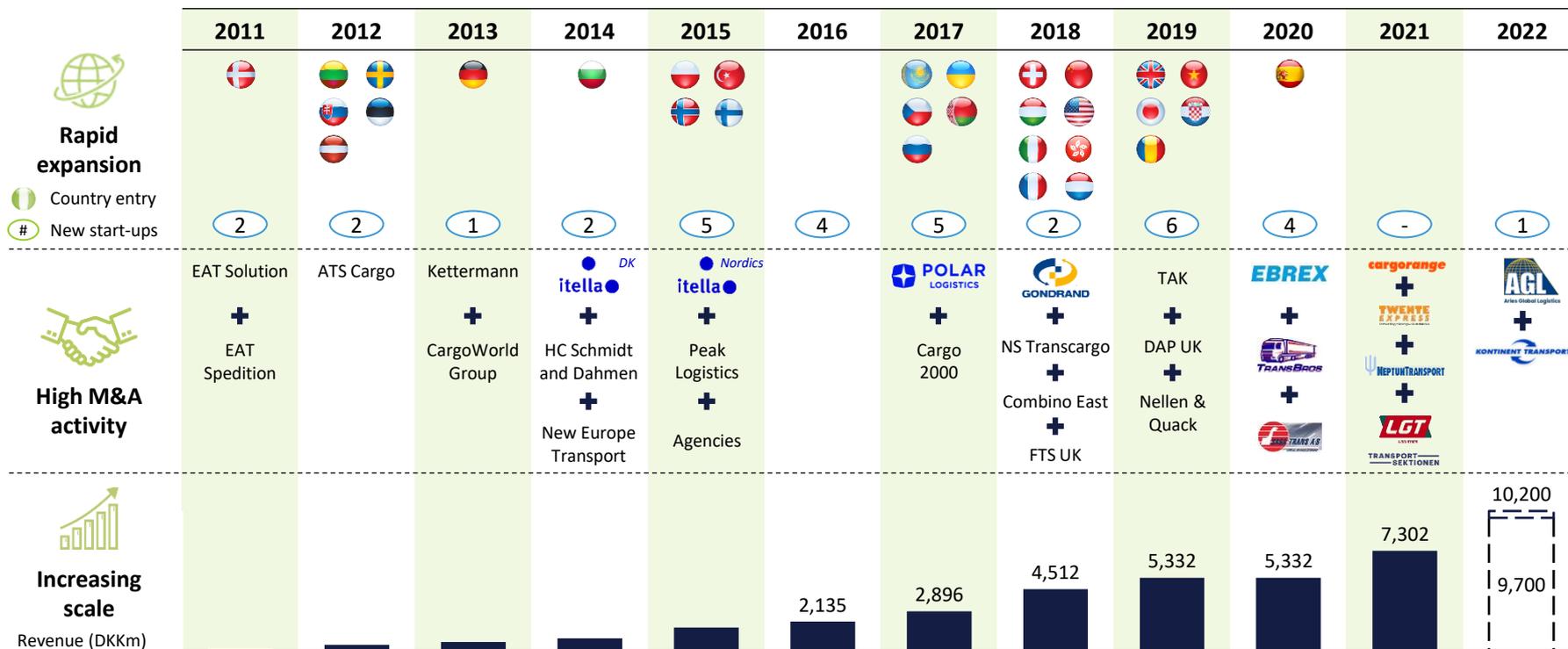
Adjusted EBIT (DKKm)



Adjusted free cash flow (DKKm)

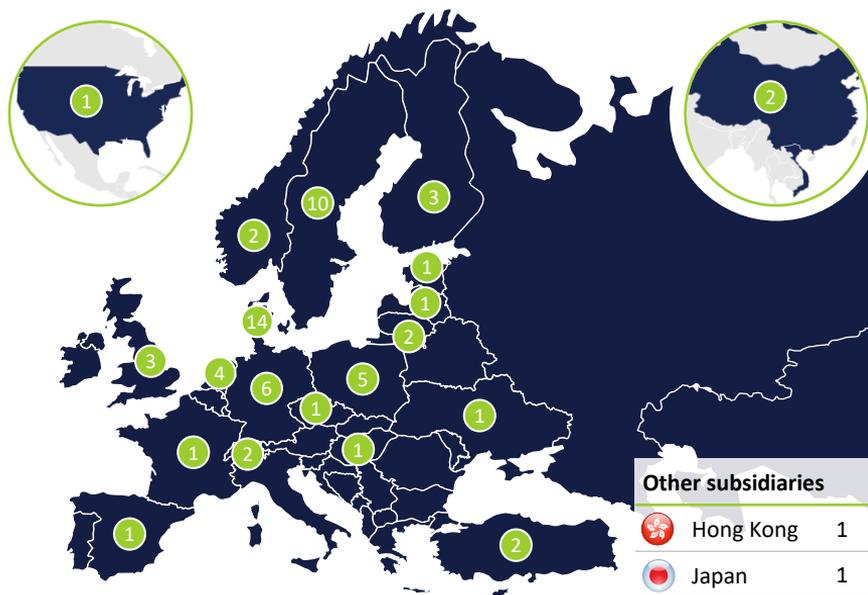


# The history of NTG



# Global network of 65 subsidiaries in 22 countries

## Overview of operational subsidiaries

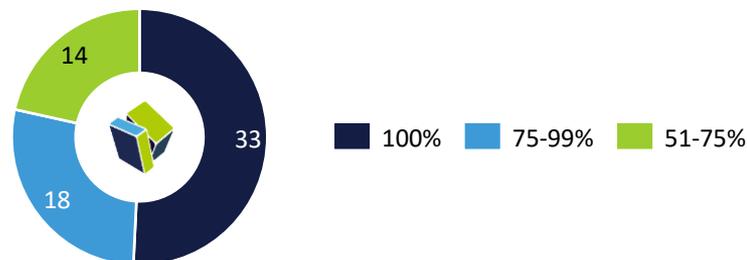


Other subsidiaries	
	Hong Kong 1
	Japan 1

## Operational subsidiaries by region



## Operational subsidiaries by ownership

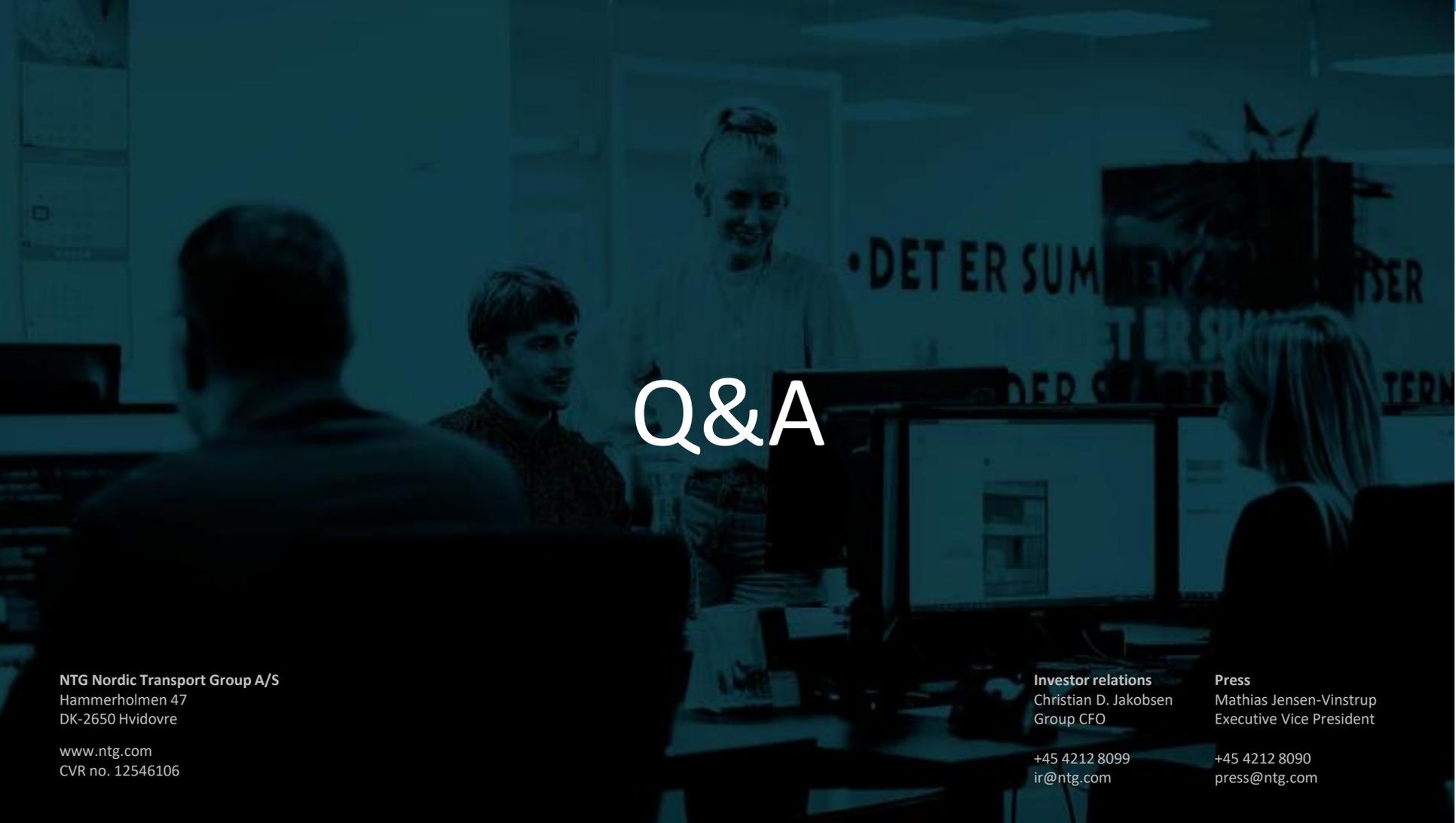


Note: Data as of 30-Sep-2022.

# Multiple avenues for future growth



1) Operational.



# Q&A

**NTG Nordic Transport Group A/S**  
Hammerholmen 47  
DK-2650 Hvidovre

[www.ntg.com](http://www.ntg.com)  
CVR no. 12546106

**Investor relations**  
Christian D. Jakobsen  
Group CFO

+45 4212 8099  
[ir@ntg.com](mailto:ir@ntg.com)

**Press**  
Mathias Jensen-Vinstrup  
Executive Vice President

+45 4212 8090  
[press@ntg.com](mailto:press@ntg.com)