



Q3 2020 webcast presentation

NTG Nordic Transport Group

19 November 2020, 10:00am CET

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Today's presenters



MICHAEL LARSEN

Group CEO



CHRISTIAN D. JAKOBSEN

Group CFO

Agenda

- **Highlights**
- **Quarterly financial review**
- **Other key figures**
- **Outlook**
- **Q&A**



A quarter to remember

Activity rebound continued throughout Q3 2020

- Operating margin of 5.7%
- Faster than anticipated normalisation in demand in the R&L division
- Demand lingering below pre-pandemic levels in the A&O division

Ebrex integration progressing according to plan

- Integration on track with c. 50% of the total synergies realised
- Total synergies of EUR c. 1.5 million expected with full effect from Q2 2021

Gondrand reaches a milestone

- Restructuring initiatives started to materialise in Q3 2020
- Gondrand contributed positively to adj. EBIT for the first time

Brexit preparations on track

- R&L customs department in the UK commences operations on 1 January 2021
- NTG is fully prepared to service customers regardless of the Brexit outcome

Guidance for the year maintained

Revenue

DKK 5,000 to 5,400 million

EBIT before special items (adj. EBIT)

DKK 240 to 260 million



Q3 2020 highlights

Highlights

Revenue

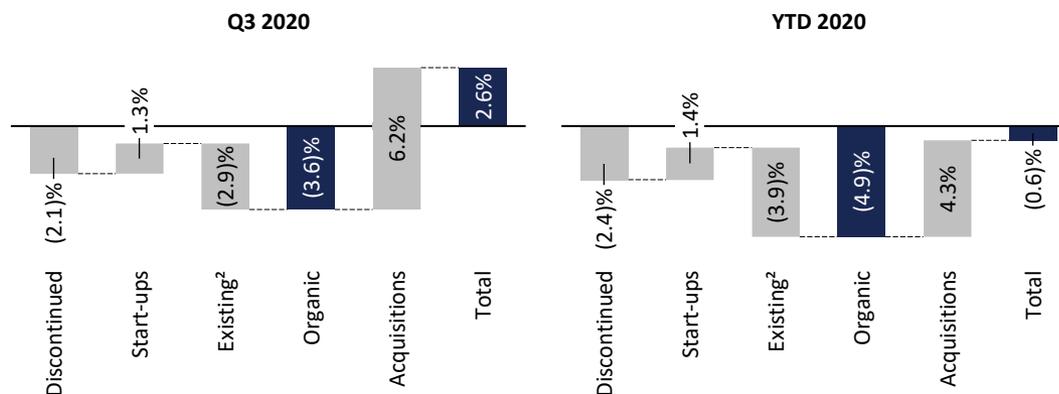
- Organic growth of negative 3.6% compared to Q3 2019
- Q3 affected by subdued demand and non-performing entities in A&O while R&L maintained strong momentum
- Ebrex contributed DKK 82.9 million on revenue in Q3 2020

Adj. EBIT

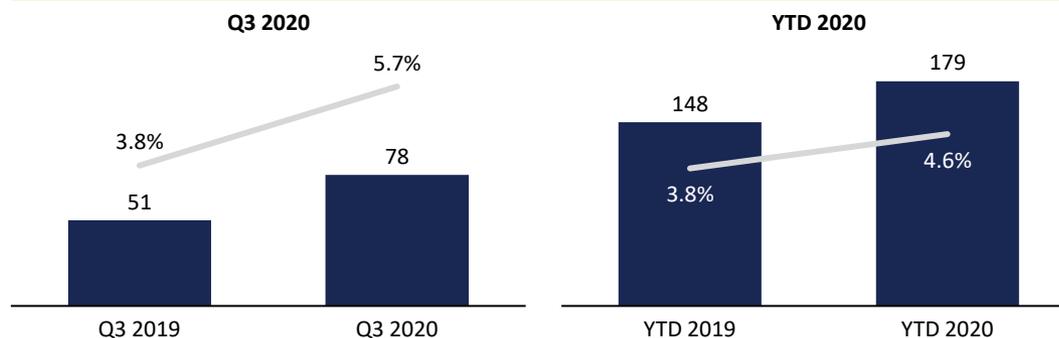
- Operating margin of 5.7% in Q3 2020 compared to 3.8% in Q3 2019 driven by the R&L division
- Gondrand contributed positively to adj. EBIT for the first time in Q3 2020 with DKK 1.8 million in total
- Ebrex contributed DKK 8.6 million on adj. EBIT in Q3 2020
- Temporary cost savings and public support programs contributed DKK c. 2 million on adj. EBIT in Q3 2020

| DKKm | Q3 | | | YTD | | |
|-------------------------------|-------|-------|---------|-------|-------|---------|
| | 2020 | 2019 | Δ | 2020 | 2019 | Δ |
| Net revenue | 1,362 | 1,328 | 2.6% | 3,907 | 3,931 | (0.6)% |
| Gross profit | 318 | 268 | 18.4% | 889 | 794 | 11.9% |
| Adj. EBIT | 78 | 51 | 52.7% | 179 | 148 | 20.9% |
| Profit for the period | 48 | 22 | 117.3% | 95 | 62 | 52.9% |
| Financial ratios: | | | | | | |
| Gross margin | 23.3% | 20.2% | 3.1 pp. | 22.7% | 20.2% | 2.5 pp. |
| Operating margin ¹ | 5.7% | 3.8% | 1.9 pp. | 4.6% | 3.8% | 0.8 pp. |
| Conversion ratio | 24.4% | 18.9% | 5.5 pp. | 20.1% | 18.6% | 1.5 pp. |

Net revenue growth break-down



Adj. EBIT (DKKm) and operating margin¹



1) Adj. EBIT / Net revenue. 2) Existing defined as organic growth excluding impact from discontinued activities and start-ups.

Road & Logistics



Highlights

Revenue

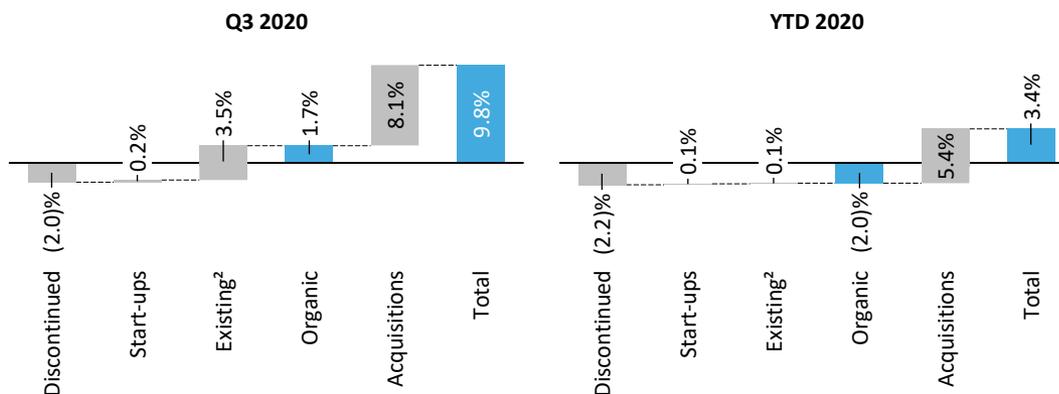
- Organic growth of 1.7% compared to Q3 2019 driven by faster than anticipated normalisation in demand
- Acquired growth driven by the acquisition of Ebrex

Adj. EBIT

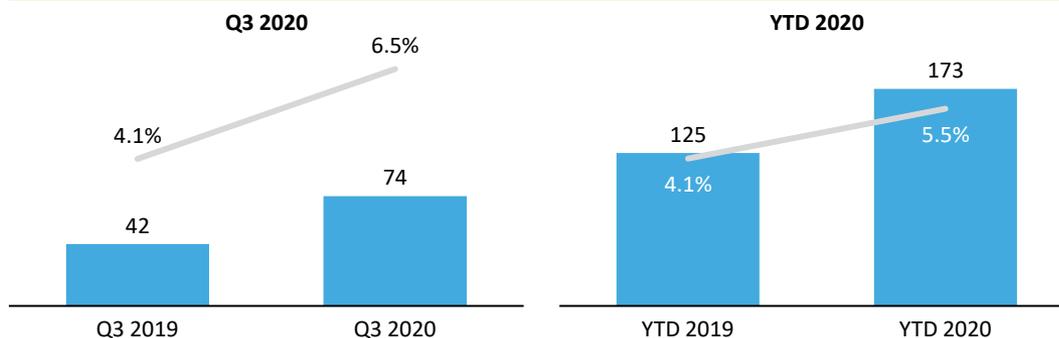
- Operating margin increased to 6.5% in Q3 2020 driven by increasing gross margin and conversion ratio
- Gross margin uptick driven by favourable development in direct cost and the acquisition of Ebrex
- Conversion ratio uptick driven by operational leverage in Denmark, Sweden, Finland, and Poland, and the turn-around or close-down of non-performing entities in Germany, Italy, and the Czech Republic

| DKKkM | Q3 | | | YTD | | |
|-------------------------------|-------|-------|---------|-------|-------|---------|
| | 2020 | 2019 | Δ | 2020 | 2019 | Δ |
| Net revenue | 1,126 | 1,025 | 9.8% | 3,169 | 3,065 | 3.4% |
| Gross profit | 257 | 188 | 36.5% | 702 | 569 | 23.3% |
| Adj. EBIT | 74 | 42 | 77.0% | 173 | 125 | 38.5% |
| Financial ratios: | | | | | | |
| Gross margin | 22.8% | 18.4% | 4.4 pp. | 22.1% | 18.6% | 3.5 pp. |
| Operating margin ¹ | 6.5% | 4.1% | 2.4 pp. | 5.5% | 4.1% | 1.4 pp. |
| Conversion ratio | 28.7% | 22.1% | 6.6 pp. | 24.6% | 21.9% | 2.7 pp. |

Net revenue growth break-down



Adj. EBIT (DKKkM) and operating margin¹



1) Adj. EBIT / Net revenue. 2) Existing defined as organic growth excluding impact from discontinued activities and start-ups.

Air & Ocean



Highlights

Revenue

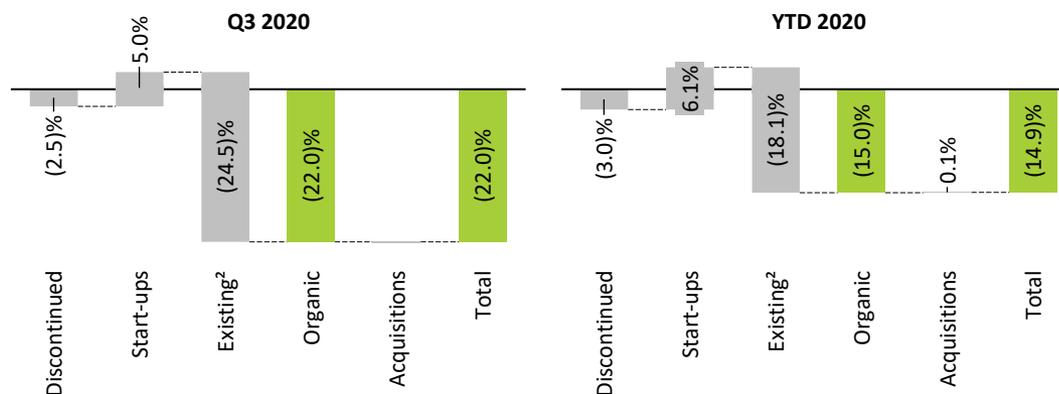
- Organic growth of negative 22.0% compared to Q3 2019 driven by demand lingering significantly below pre-pandemic levels
- Growth positively impacted by US start-ups though partially offset by the discontinuation or downsizing of certain non-performing activities

Adj. EBIT

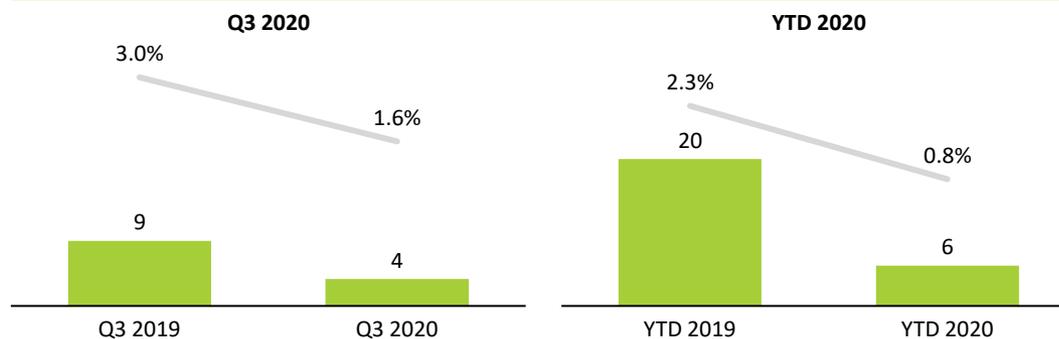
- Operating margin decreased to 1.6% in Q3 2020
- Profitability negatively impacted by the lower activity level, certain non-performing entities, and start-up cost in the US
- Progress on ongoing turnaround in Asia had a partially offsetting effect on profitability for the quarter

| DKKm | Q3 | | | YTD | | |
|-------------------------------|-------|-------|-----------|-------|-------|-----------|
| | 2020 | 2019 | Δ | 2020 | 2019 | Δ |
| Net revenue | 236 | 303 | (22.0)% | 738 | 867 | (14.9)% |
| Gross profit | 61 | 80 | (23.7)% | 187 | 225 | (16.8)% |
| Adj. EBIT | 4 | 9 | (58.7)% | 6 | 20 | (72.6)% |
| Financial ratios: | | | | | | |
| Gross margin | 25.9% | 26.4% | (0.5) pp. | 25.4% | 25.9% | (0.5) pp. |
| Operating margin ¹ | 1.6% | 3.0% | (1.4) pp. | 0.8% | 2.3% | (1.5) pp. |
| Conversion ratio | 6.1% | 11.2% | (5.1) pp. | 3.0% | 9.0% | (6.0) pp. |

Net revenue growth break-down



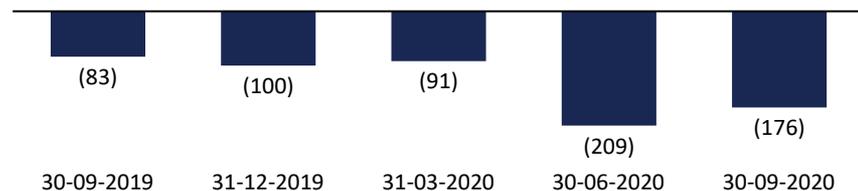
Adj. EBIT (DKKm) and operating margin¹



1) Adj. EBIT / Net revenue. 2) Existing defined as organic growth excluding impact from discontinued activities and start-ups.

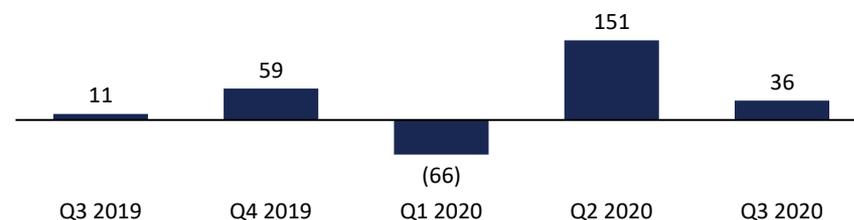
Other key figures

Net working capital (DKKm)



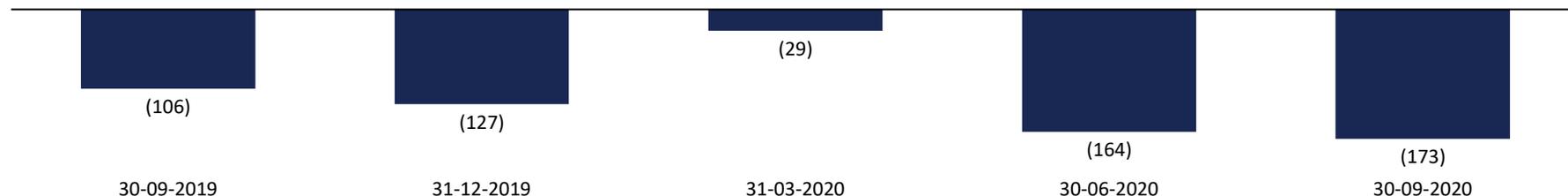
- Improvement in recent quarters driven by efficient cash management
- Adverse impact in Q3 2020 of the expiration of deferred payments on certain public debt and the Danish Holidays Act

Adjusted free cash flow¹ (DKKm)



- Positive year-on-year development primarily driven by strong operating performance
- Decline versus Q2 driven by a normalisation of net working capital

Net interest-bearing debt, excluding IFRS 16 (DKKm)



- Financial position continued to strengthen in Q3 2020, resulting in a net cash position of DKK 173 million excluding IFRS 16
- Undrawn committed credit facilities of DKK 150 million remain in place

¹ Cash flow from operating activities + cash flow from investing activities + special items (addback) – repayment of lease liabilities (reversed).

Outlook

Full-year outlook for 2020 maintained

Net revenue

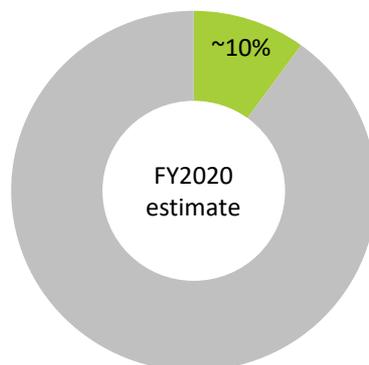
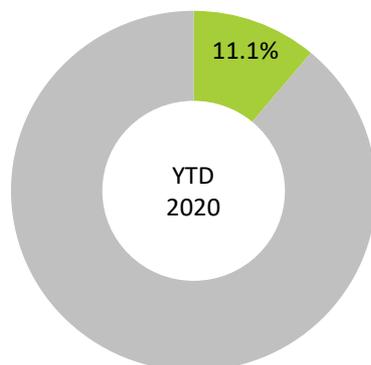
DKK **5,000** to **5,400** million

EBIT before special items (adj. EBIT)

DKK **240** to **260** million

- Assumption of unchanged market conditions in the fourth quarter of 2020 and;
- No new material adverse events affecting regional and global cargo volumes and trade patterns
- Uncertainty remains elevated due to the COVID-19 situation

Minorities' share of adj. EBIT



Q&A

Q&A