

NTG Nordic Transport Group Annual Report for 2021

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NTG Nordic Transport Group A/S (“NTG”) has today published the 2021 annual report. Selected financial highlights are presented below:

(DKKm)	Full year		Q4	
	2021	2020	2021	2020
Net revenue	7,301.9	5,332.2	2,171.7	1,425.4
Gross profit	1,592.1	1,238.4	489.6	349.9
Operating profit before special items (adj. EBIT)	542.0	260.7	160.5	82.1
Profit for the year	385.3	148.8		
Earnings per share (DKK)	15.64	5.61		
Gross margin	21.8%	23.2%	22.5%	24.5%
Operating margin	7.4%	4.9%	7.4%	5.8%
Conversion ratio	34.0%	21.1%	32.8%	23.5%
ROIC before tax	50.8%	34.3%		

“2021 was a year of remarkable change. Strong financial performance in both divisions resulted in top line growth of 36.9% and an increase in adjusted EBIT of 107.9% compared to 2020. The results illustrate the success of our employees in rising to the new standards of a disrupted global logistics market”, says Michael Larsen, Group CEO.

Q4 2021 results

Net revenue totalled DKK 2,171.7 million in Q4 2021 compared to DKK 1,425.4 million in Q4 2020, corresponding to an increase of 52.4%. Growth was composed of 32.2% organic growth, 19.6% acquired growth, and FX effects of 0.6%.

Gross profit increased 39.9% to DKK 489.6 million in Q4 2021, compared to DKK 349.9 million in Q4 2020, corresponding to a gross margin of 22.5% and 24.5%, respectively. The margin development was driven by increasing input factor prices, mainly freight rates in the Air and Ocean division and to a lesser extent rising haulier and diesel prices in the Road & Logistics division. Capacity surcharges and acquisitions completed during the year had an offsetting effect on gross margins in the fourth quarter of the year.

Operating profit before special items increased 95.5% to DKK 160.5 million in Q4 2021, compared to DKK 82.1 million in Q4 2020, corresponding to an operating margin of 7.4% and 5.8%, respectively. The development was driven by increased efficiency and scalability of fixed costs, final effects of the restructuring and reorganisation completed in 2020, and the impact of acquisitions completed during the year.

Dividend

No dividend payment is proposed for 2021.

Outlook for 2022 and updated medium-term financial target

For the full year 2022, NTG expects:

- Net revenue of DKK 7,800-8,300 million.
- EBIT before special items of DKK 570-630 million.

The outlook for 2022 assumes a stable macroeconomic environment with no additional material adverse events affecting regional and global cargo volumes and trade patterns.

NTG realised an operating margin well above the medium-term financial target of 4-5% in 2021. Based on the development, a new medium-term financial target is introduced, and NTG now expects to realise DKK 1 billion in EBIT before special items no later than 2027. The new medium-term financial target replaces all previous targets.

NTG will strive to achieve the medium-term target with organic growth and M&A, financed by the cash flow and credit facilities of the Company.

The medium-term target is based on a net interest-bearing debt to EBITDA ratio of less than 3.0. The medium-term target does not include assumptions of capital raises in the equity capital markets albeit NTG will continue to evaluate capital increases as a source of funding for larger acquisitions. Further, the medium-term target is based on the principal assumptions of a stable macroeconomic environment and NTG continuing to develop the business, establish start-ups, and execute its M&A agenda.

NTG extends its existing stock option program for key employees

The NTG Board of Directors has decided to extend the share-based incentive scheme in the form of share purchase options (stock options) to key employees of NTG, other than the Executive Management, and its subsidiaries. The total number of stock options granted under the program as of today will not exceed 450,000 and the total value of stock options will not exceed DKK 40,000,000. The fair value of the share purchase options will be

determined based on the Black-Scholes valuation model, a risk-free interest rate of 0%, a volatility of maximum 24%, and time to exercise of three years. The program will be in place until further notice. For further details regarding the stock option program, reference is made to Company Announcement no. 43-20.

FY 2021 conference call

In connection with publication of the full year financial results for 2021, a conference call will be hosted on 10 March 2022 at 10:00 AM CET. The conference call will be held in English and can be followed live via NTG's website; investor.ntg.com.

Additional information

For additional information, please contact:

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Attachments

NTG-2021-12-31-en
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Attachments

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