NTG Nordic Transport Group Annual Report for 2024

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NTG Nordic Transport Group A/S ("NTG") has today published the 2024 Annual Report. Selected financial highlights are presented below:

	Full year		Q4	
(DKKm)	**2024**	**2023**	**2024**	**2023**
Net revenue	9,352	8,338	2,593	2,001
Gross profit	1,973	1,866	579	463
Operating profit before special items (adj. EBIT)	524	630	131	171
Profit for the year	335	407		
Earnings per share (DKK)	13.93	17.40		
Gross margin	21.1%	22.4%	22.3%	23.1%
Operating margin	5.6%	7.6%	5.1%	8.5%
Conversion ratio	26.6%	33.8%	22.6%	36.9%
ROIC before tax	21.6%	32.0%		

"Reflecting on the past year, NTG has successfully navigated a challenging market environment. We made significant progress with the signing of five strategic acquisitions, reinforcing our commitment to industry consolidation. We have also spent the year making ourselves fit for the future by defining our strategy with Route '27 and strengthening our leadership team. Looking ahead, we remain committed to sustainable growth and value creation for our stakeholders. We are grateful for their continued support and excited to build on this year's achievements," says Mathias Jensen-Vinstrup, Group CEO.

Q4 2024 results
Net revenue totalled DKK 2,593 million in Q4 2024, compared to DKK 2,001 million in Q4 2023, corresponding to an increase of 29.6%. Total growth was composed of 13.4% organic growth, 15.9% acquired growth, and FX effects of 0.3%. The organic growth was mainly driven by higher freight rates in the Air & Ocean division and market share gains in the Road & Logistics division.

Q4 2024 growth components	**Net revenue**			
	Organic	Acquisitions	Currency	**Total growth**
Road & Logistics	0.3%	16.9%	0.1%	17.3%
Air & Ocean	55.4%	13.1%	0.8%	69.3%
Total	13.4%	15.9%	0.3%	29.6%

Gross profit totalled DKK 579 million in Q4 2024, compared to DKK 463 million in Q4 2023, corresponding to an increase of 25.1%. Total growth was composed of 4.4% organic growth, 20.5% acquired growth, and FX effects of 0.2%. The gross margin decreased by 0.8 percentage points from 23.1% in Q4 2023 to 22.3% in Q4 2024. The development was primarily driven by higher freight rates in air & ocean which led to a higher pass-through element.

Operating profit before special items totalled DKK 131 million in Q4 2024, compared to DKK 171 million in Q4 2023, corresponding to a decrease of 23.4% primarily driven by a DKK 28 million partial release of an earn-out provision in Q4 2023. Excluding this one-off effect, the total decline was 8.4%, composed of an organic decrease of 12.6% offset by 4.2% in acquired growth, and no FX effect. The operating margin decreased by 3.4 percentage points from 8.5% in Q4 2023 to 5.1% in Q4 2024. The impact from the earn-out provision accounted for a decline by 1.4 p.p., and the remaining 2.0 p.p. decline was primarily due to higher pass-through and cost base due to increased activity.

Outlook for 2025
For the full year 2025, NTG expects:

- EBIT before special items of DKK 575 - 650 million.

The outlook assumes a slight volume growth in both divisions, but with continued pressure from soft macroeconomics and continued muted consumer confidence.

In the European road and logistics market, we expect growth in line with European GDP growth. The freight rate environment is expected to see slight increases due to the rate increases announced in October 2024.

In the Air & Ocean division, we expect a moderate growth in the transport volumes, offset by declining freight rates due to

oversupply of freight capacity.
For both divisions, we continue to closely monitor the activity and adjust capacity and cost base accordingly.

The outlook for 2025 includes the effects of the acquisitions completed in 2024 and of ITC Logistic and Thortrans as of January 2025. The outlook does not include potential impact from other acquisitions during 2025, if any.

The outlook further assumes currency exchange rates at current levels.

Macroeconomic and geopolitical uncertainty remains elevated and the assumptions underlying the outlook may change.

Medium-term financial target
Our medium-term target, introduced in 2022, remains unchanged, and we strive to achieve DKK 1 billion in adjusted EBIT no later than by the end of 2027, based on a combination of organic growth and M&A.

Dividend
In accordance with dividend policy no dividend is proposed for 2024.

FY 2024 conference call
In connection with publication of the full year financial results for 2024, a conference call will be hosted on 6 March 2025 at 09:30 AM CET. The conference call will be held in English and can be followed live via NTG's website: investor.ntg.com.

Additional information

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Attachments

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Attachments

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