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Nordic Transport Group



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# Q3 2024 Conference Call

NTG Nordic Transport Group

30 October 2024, 10:00 AM CET



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## Today's presenters

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**MATHIAS JENSEN-VINSTRUP**

Group CEO



**CHRISTIAN D. JAKOBSEN**

Group CFO

# AGENDA

Q3 2024 highlights and M&A

Financial review

Other key figures

Updated outlook for 2024

Appendix



# Q3 2024 highlights

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**FOUR ACQUISITIONS  
DURING THE QUARTER**



**HIGH COMPETITION  
IMPACTING MARGINS**



**ACTIVITY GROWTH IN  
KEY MARKETS**



**2024 GUIDANCE  
RANGE NARROWED**

# M&A



**Road and Logistics**

**599m**

Revenue DKK

**80m**

EBIT DKK

**130**

White collars



Strong financial profile



Asset-light business model



Strong groupage network



Significant benefits and scale to existing network

## Closed transactions



**Air & Ocean**

**77m**

Revenue DKK

**NI**

EBIT DKK

**41**

White collars



**Road and Logistics**

**91m**

Revenue DKK

**4m**

EBIT DKK

**21**

White collars



**Road and Logistics**

**1,142m**

Revenue DKK

**77m**

EBIT DKK

**330**

White collars

# Financial review: Group (I/II)

DKK <sup>m</sup>	Q3			YTD		
	2024	2023	Δ	2024	2023	Δ
Net revenue	2,296	1,963	17.0%	6,759	6,337	6.7%
Gross profit	456	444	2.7%	1,394	1,403	-0.6%
Adjusted EBIT	114	161	-29.2%	393	459	-14.4%
Gross margin	19.9%	22.6%	-2.7 p.p.	20.6%	22.1%	-1.5 p.p.
Operating margin	5.0%	8.2%	-3.2 p.p.	5.8%	7.2%	-1.4 p.p.
Conversion ratio	25.0%	36.3%	-11.3 p.p.	28.2%	32.7%	-45 p.p.

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

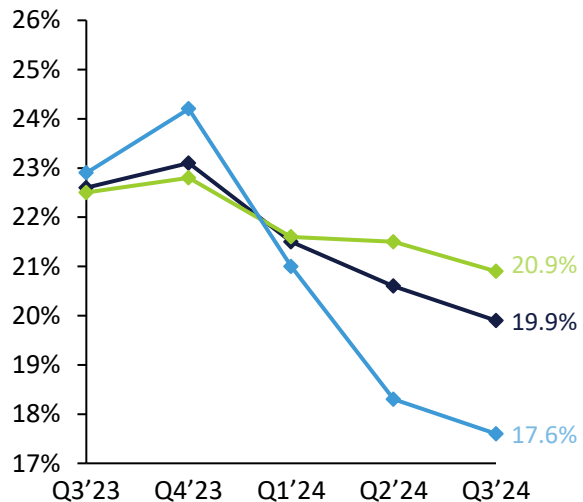
	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q3 2024	0.0%	1.5%	12.1%	<b>13.6%</b>	2.8%	0.6%	<b>17.0%</b>
YTD 2024	0.0%	0.9%	2.5%	<b>3.4%</b>	2.1%	0.3%	<b>6.7%</b>

## COMMENTS

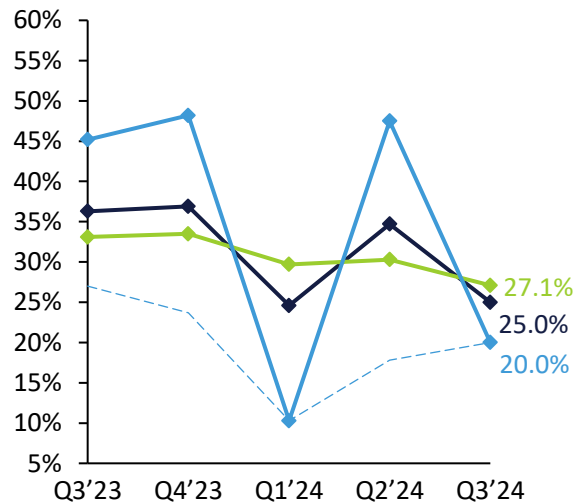
- Revenue growth driven by new business in both divisions, higher rates in A&O and the RTC acquisition in R&L.
- Gross margin decline due to squeezed yields from intense competition and demanding market conditions.
- Operating margin reflects current market conditions. Negative development compared to Q3 2023 impacted by AGL earn-out.

# Financial review: Group (II/II)

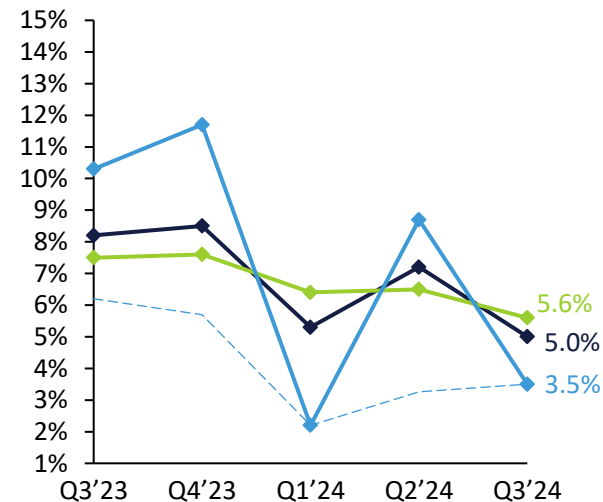
## Gross margin



## Conversion ratio



## Operating margin



◆ Group ◆ Road & Logistics ◆ Air & Ocean



# Financial review: Road & Logistics

DKKm	Q3			YTD		
	2024	2023	Δ	2024	2023	Δ
Net revenue	1,558	1,459	6.8%	4,824	4,682	3.0%
Gross profit	325	329	-1.2%	1,029	1,037	-0.8%
Adjusted EBIT	88	109	-19.3%	299	350	-14.6%
Gross margin	20.9%	22.5%	-1.6 p.p.	21.3%	22.1%	-0.8 p.p.
Operating margin	5.6%	7.5%	-1.9 p.p.	6.2%	7.5%	-1.3 p.p.
Conversion ratio	27.1%	33.1%	-6.0 p.p.	29.1%	33.8%	-4.7 p.p.

## COMMENTS

- Organic revenue growth was positively affected by new business in main markets, partly offset by a difficult environment in Sweden.
- Gross margin decreased due to increasing haulier costs, partially offset by the RTC acquisition.
- The operating margin negatively impacted by lower gross profit, and slightly higher cost base.

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

	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q3 2024	0.0%	0.0%	2.9%	<b>2.9%</b>	3.1%	0.8%	<b>6.8%</b>
YTD 2024	0.0%	0.0%	0.0%	<b>0.0%</b>	2.6%	0.4%	<b>3.0%</b>

## Financial review: Air & Ocean

DKKkm	Q3			YTD		
	2024	2023	Δ	2024	2023	Δ
Net revenue	738	503	46.7%	1,935	1,654	17.0%
Gross profit	130	115	13.0%	364	366	-0.5%
Adjusted EBIT	26	52	-50.0%	94	108	-13.0%
Gross margin	17.6%	22.9%	-5.3 p.p.	18.8%	22.1%	-3.3 p.p.
Operating margin	3.5%	10.3%	-6.8 p.p.	4.9%	6.5%	-1.6 p.p.
Conversion ratio	20.0%	45.2%	-25.2 p.p.	25.8%	29.5%	-3.7 p.p.

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

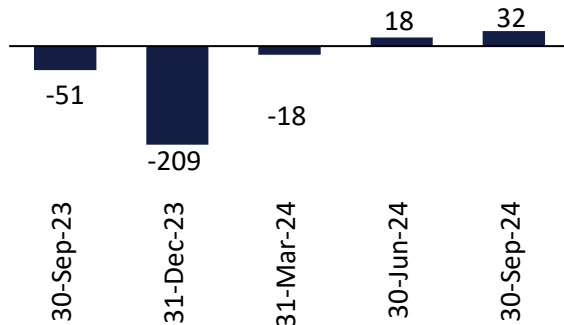
	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q3 2024	0.0%	5.8%	33.1%	<b>38.9%</b>	2.2%	-0.2%	<b>46.7%</b>
YTD 2024	0.0%	3.6%	9.0%	<b>12.6%</b>	0.7%	0.1%	<b>17.0%</b>

### COMMENTS

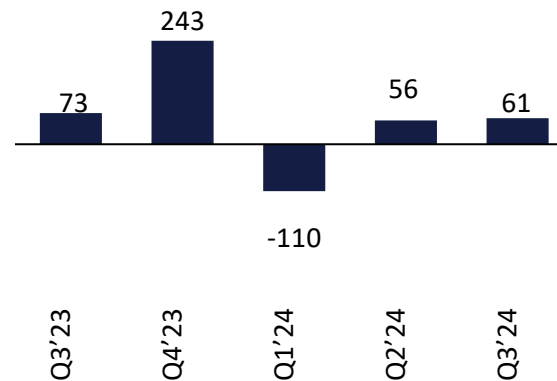
- Organic revenue growth driven by higher activity on key trade lanes combined with generally higher rates.
- Gross margin decreased due to the pass-through effect from increasing freight rates and high competition impacting the gross profit yields.
- The decrease in operating margin primarily impacted by the AGL earn-out settlement compared to Q3 last year.

# Other key figures

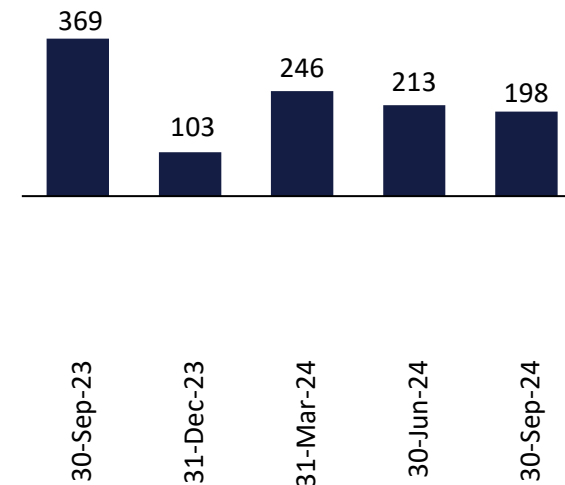
Net working capital (DKKk)



Adjusted free cash flow<sup>1</sup> (DKKk)



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



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.

# Narrowed full-year outlook 2024

DKKm	2023 realised	Previous outlook	2024 outlook
Adjusted EBIT	630	500-580	500 – 550

## Key assumptions

- The Road & Logistics and Air & Ocean divisions are anticipated to navigate in the current market environment for rest of 2024 with challenging and demanding circumstances related to increasing freight rates, changing capacity levels affecting associated costs, and muted gross profit yields.
- For both divisions, we continue to closely monitor the current-trading development and to adjust the cost base accordingly, if needed.
- The outlook for 2024 includes the effects of the acquisition of RTC Transport as of February 2024 and limited effects from the four acquisitions due to the timing of their transaction closings. The outlook does not include potential impact from other acquisitions during 2024, if any.
- The outlook further assumes currency exchange rates at current levels.
- Financial and geopolitical uncertainty remains elevated and the assumptions underlying the outlook may change.



# Q&A

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**To ask a question, please dial one of  
the numbers below**

**Danish participants  
+45 32 72 75 25**

**International participants  
+44 1 212818004**

**US participants  
+1 718 7058796**

**To ask questions press “\*1”**



# Investor Relations

## Investor Relations Contact

### Sebastian Rosborg

Head of investor Relations

+45 4212 8099

sebastian.rosborg@ntg.com

ir@ntg.com | press@ntg.com

## Share Information

NTG Nordic Transport Group A/S is listed on the Copenhagen stock exchange under the symbol 'NTG'.

For further company information, please visit: [www.investor.ntg.com](http://www.investor.ntg.com)

## Financial Calendar 2025

<b>5. March 2025</b>	Annual report 2024
<b>28. March 2025</b>	Annual General Meeting
<b>12. May 2025</b>	Q1 2025 Interim Report
<b>11. August 2025</b>	H1 2025 Interim Report
<b>10. November 2025</b>	Q3 2025 Interim Report