

Q3 2021 Conference Call

NTG Nordic Transport Group

12 November 2021, 10:00am CET

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Today's presenters



MICHAEL LARSEN

Group CEO



CHRISTIAN D. JAKOBSEN

Group CFO

AGENDA

Highlights

Financial review

Other key figures

Outlook

Q&A



Highlights for Q3 2021



HIGH ACTIVITY AND
SCARCE CAPACITY CAUSE
MARKET IMBALANCES



ORGANIC GROWTH IN
REVENUE AND PROFIT
IN BOTH DIVISIONS



INCREASED EFFICIENCY
AND SCALABILITY DRIVE
MARGIN INCREASE



ACQUISITION OF LGT
GROUP COMPLETED
ON 1 SEPTEMBER 2021



FULL-YEAR OUTLOOK
UPDATED ON
11 NOVEMBER 2021

Financial review: Group (I/II)

DKKkm	Q3			YTD		
	2021	2020	Δ	2021	2020	Δ
Net revenue	1,870	1,362	37.2%	5,130	3,907	31.3%
Gross profit	399	318	25.5%	1,103	889	24.1%
Adjusted EBIT	143	78	83.8%	382	179	113.5%
Gross margin	21.3%	23.3%	(2.0) p.p.	21.5%	22.7%	(1.2) p.p.
Operating margin	7.6%	5.7%	1.9 p.p.	7.4%	4.6%	2.8 p.p.
Conversion ratio	35.8%	24.4%	11.4 p.p.	34.6%	20.1%	14.5 p.p.

Net revenue growth components (year-on-year)

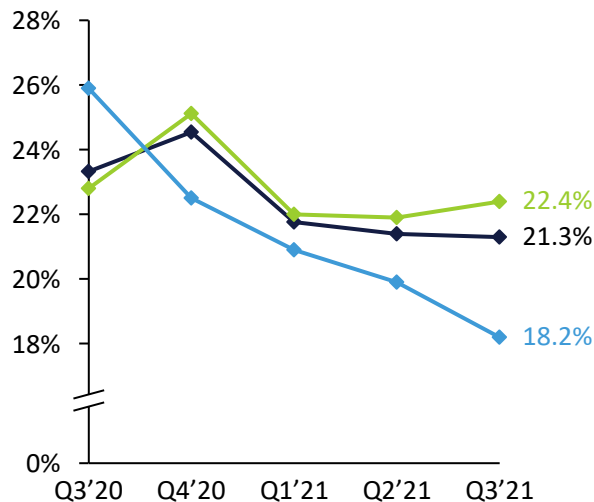
	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q3 2021	(1.4)%	0.0%	26.2%	24.8%	12.2%	0.2%	37.2%
YTD 2021	(2.1)%	0.7%	23.5%	22.1%	9.5%	(0.3)%	31.3%

COMMENTS

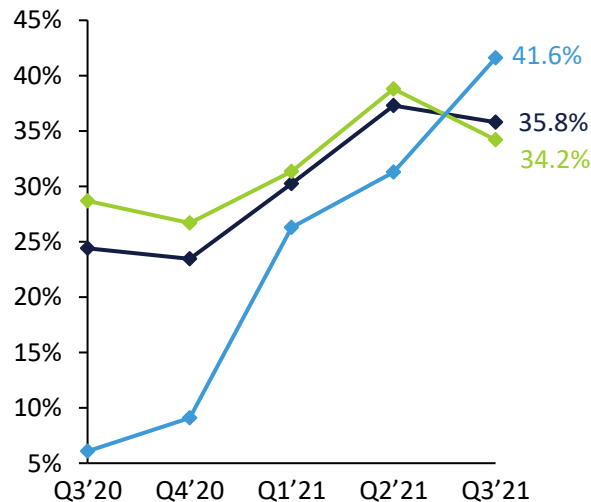
- Activity remained high in Q3 2021.
- Organic growth driven by price and, to a lesser extent, volume increases.
- Operating margin development driven by increased efficiency, scalability, acquisitions, and effects of activities discontinued in 2020.

Financial review: Group (II/II)

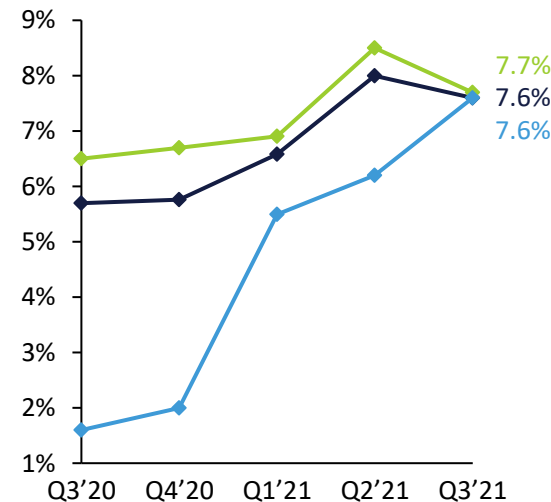
Gross margin



Conversion ratio



Operating margin



◆ Group ◆ Road & Logistics ◆ Air & Ocean

Financial review: Road & Logistics

DKKkm	Q3			YTD		
	2021	2020	Δ	2021	2020	Δ
Net revenue	1,392	1,126	23.6%	3,896	3,169	23.0%
Gross profit	312	257	21.4%	861	702	22.8%
Adjusted EBIT	107	74	44.8%	301	173	74.0%
Gross margin	22.4%	22.8%	(0.4) p.p.	22.1%	22.1%	0.0 p.p.
Operating margin	7.7%	6.5%	1.2 p.p.	7.7%	5.5%	2.2 p.p.
Conversion ratio	34.2%	28.7%	5.5 p.p.	34.9%	24.6%	10.3 p.p.

Net revenue growth components (year-on-year)

	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q3 2021	(0.7)%	-	9.4%	8.7%	14.8%	0.1%	23.6%
YTD 2021	(1.1)%	0.3%	12.0%	11.2%	11.7%	0.1%	23.0%

COMMENTS

- Continued strong activity across all markets in Q3 2021.
- Capacity surcharges introduced to safeguard existing capacities and customer relationships.
- Organic growth driven by surcharges, increasing spot prices, and increasing volumes.

Financial review: Air & Ocean

DKKkm	Q3			YTD		
	2021	2020	Δ	2021	2020	Δ
Net revenue	477	236	101.9%	1,234	738	67.2%
Gross profit	87	61	41.7%	241	187	28.8%
Adjusted EBIT	36	4	875.7%	81	6	1,337.5%
Gross margin	18.2%	25.9%	(7.7) p.p.	19.5%	25.4%	(5.9) p.p.
Operating margin	7.6%	1.6%	6.0 p.p.	6.5%	0.8%	5.7 p.p.
Conversion ratio	41.6%	6.0%	35.6 p.p.	33.4%	3.0%	30.4 p.p.

Net revenue growth components (year-on-year)

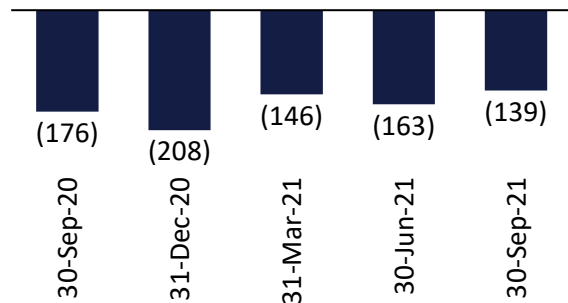
	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q3 2021	(4.8)%	-	106.2%	101.4%	-	0.5%	101.9%
YTD 2021	(6.3)%	2.2%	73.1%	69.0%	-	(1.8)%	67.2%

COMMENTS

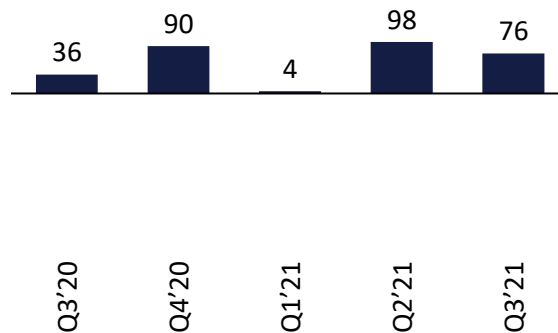
- Inflow of capacity insufficient to curb increasing demand in the market.
- Organic growth driven by higher freight rates and, secondly, increasing volumes.
- Increasing pass-through revenue drove gross margins lower.

Other key figures

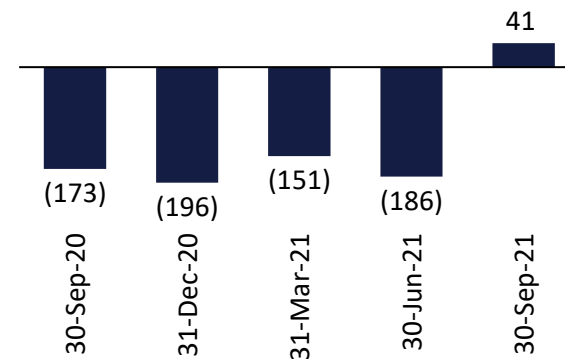
Net working capital (DKKm)



Adjusted free cash flow¹ (DKKm)



Net interest-bearing debt² (DKKm)



- Development mainly driven by growth in Air & Ocean, and effects of acquisitions.

- Development mainly driven by improved operating performance.

- Development mainly driven by the acquisition of LGT Group.

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 2021

DKKm	2020 realised	2021 outlook
Net revenue	5,332.2	7,000 – 7,300
Adjusted EBIT	260.7	520 – 550

Guidance includes:

- Total one-off effect from contract termination of DKK 20.0 million regarding the early termination of an office and logistics facility in Switzerland.
- Expected effects from acquisitions closed.

Principal assumptions

- Activity in the transport markets will remain high and current market imbalances will continue for the rest of the year.





Q&A

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