



Annual report 2019, webcast presentation

NTG Nordic Transport Group

23 March 2020, 10:00am CET

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Today's presenters



JESPER E. PETERSEN

Group CEO
Road & Logistics



MIKKEL FRUERGAARD

Group CEO
Air & Ocean



CHRISTIAN D. JAKOBSEN

Group CFO

Agenda

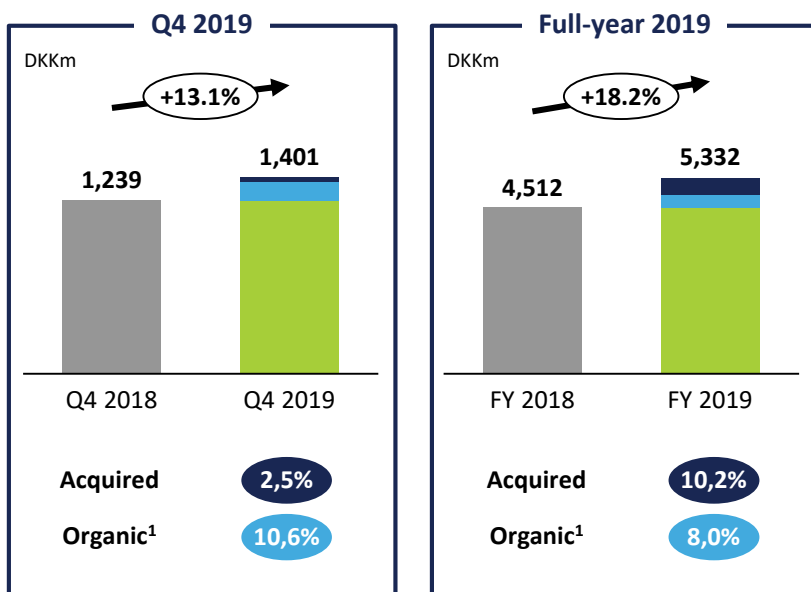
- **Highlights**
- **Segment review**
- **Other key figures**
- **Minorities**
- **Expectations for 2020**
- **Q&A**



Highlights

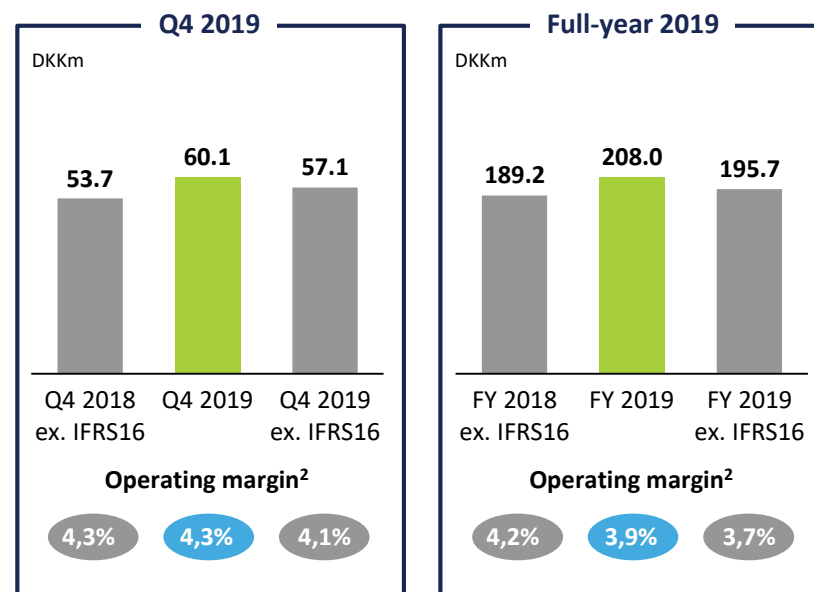
Net revenue

- Total revenue for the year was DKK 5,332m (guidance: DKK 5,000m to 5,500m), representing total growth of 18%, thereof 8% organic.
- Organic growth was driven by Nordics PADS within Road & Logistics and specialty services and start-ups in Air & Ocean.
- Acquired growth was mainly driven by the acquisition of DAP (UK) and full-year effect from acquisitions made in 2018.



EBIT before special items (adj. EBIT)

- Adj. EBIT for the year was DKK 208m (guidance: DKK 200 to 215m).
- Operating margin for the year saw a decrease from 4.2% 2018 to 3.9% in 2019, primarily driven by underperformance in certain entities in Continental Europe.
- Operating margin for Q4 2019 reflects that initiatives to address underperforming entities are being implemented.



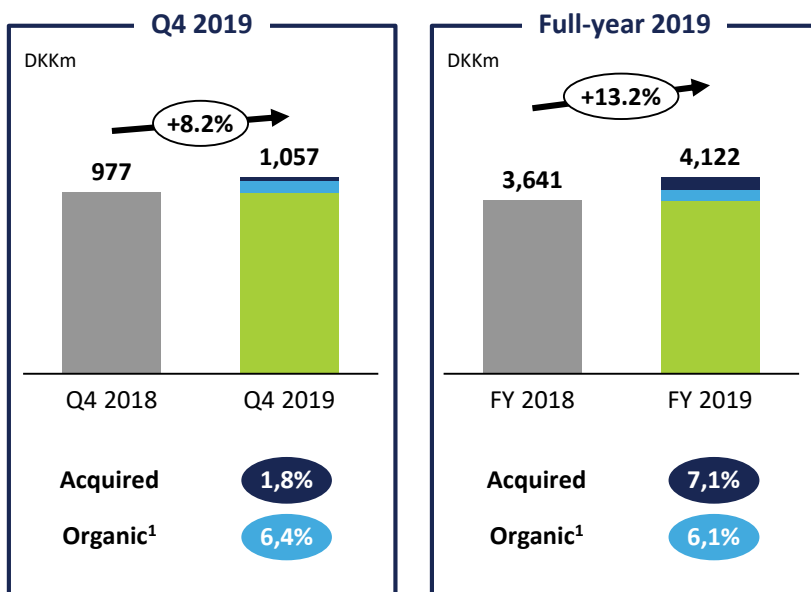
1) Including new start-ups; 2) Adj EBIT / Net Revenue

Road & Logistics



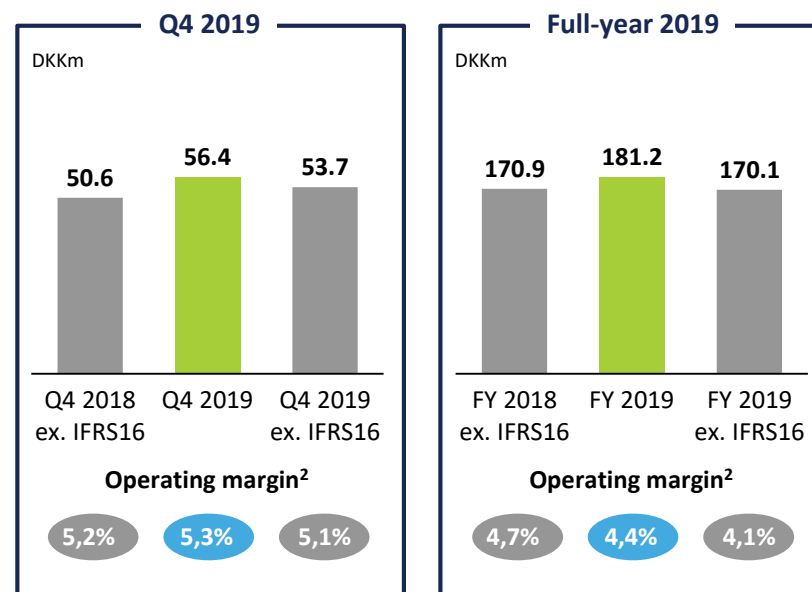
Net revenue

- Road & Logistics had another record year with revenue of DKK 4.1bn.
- Organic growth of 6% was mainly driven by mature PADS in the Nordics and individual PADS in Continental Europe.
- Acquired growth of 7% was driven by DAP (UK) and full-year effect of acquisitions made in 2018.



EBIT before special items (adj. EBIT)

- Adj. EBIT for the year was DKK 181 million, an increase of 6%.
- Operating margin saw a decrease from 4.7% in 2018 to 4.4% in 2019, primarily driven underperformance in certain fully owned PADS in Continental Europe.
- Activities in Italy and Czech Republic were divested in Q4 2019, improving operating margin for the quarter.



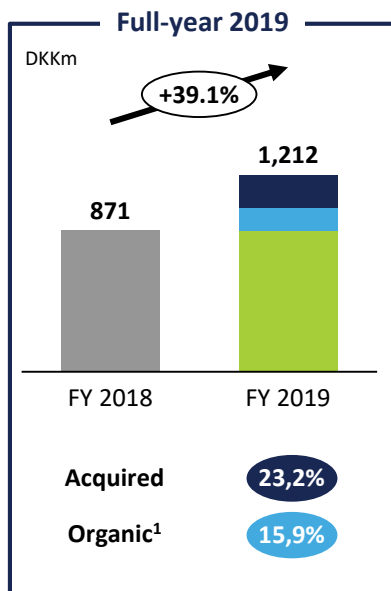
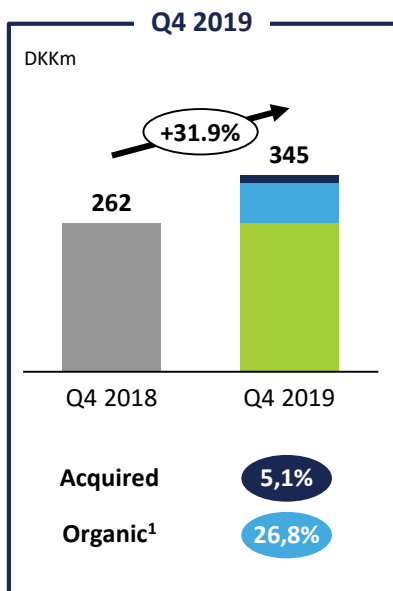
1) Including new start-ups; 2) Adj EBIT / Net Revenue

Air & Ocean



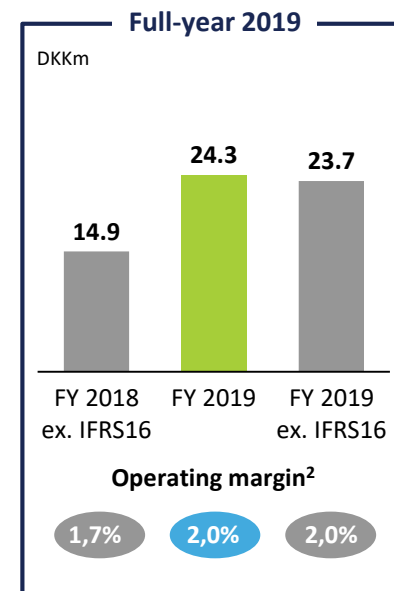
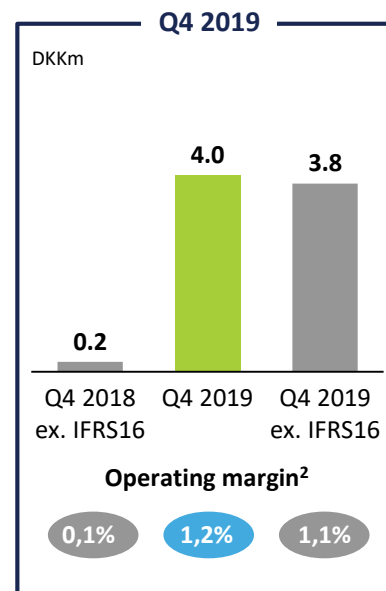
Net revenue

- Air & Ocean had its first year with revenues above DKK 1bn, with total revenue of DKK 1.2bn.
- Organic growth for the year was 16%, of which 11% was contributed by start-ups.
- Acquired growth mainly relate to DAP (UK) and full-year effect of acquisitions made in 2018.



EBIT before special items (adj. EBIT)

- Adj. EBIT for the year was DKK 24 million, an increase of 63%, mainly driven by the acquisition of DAP (UK), specialty services in the Nordics and positive developments in Germany during the first three quarters.
- Adj. EBIT for Q4 2019 was affected by expansion costs related to new start-ups, restructuring in China and the loss of a team in Germany.
- Operating margin for the year increased to 2.0% from 1.7% in 2018.



1) Including new start-ups; 2) Adj EBIT / Net Revenue

Other key figures

Special items

- Transaction and integration costs (DKK 4 million).
- Costs associated with stock market introduction (DKK 26 million).
- Close-down of non-profitable sites (DKK 16 million).
- DKK 58 million was recognized as an excess value expense arising from the reverse acquisition of former Neurosearch A/S. The item is an accounting adjustment with no cash effect.

DKKm

	87	104
	Q4 2019	Full-year 2019

Net working capital

DKKm

FY 2019 **-99.5**

FY 2018 **-97.8**

Cash flow from operating activities

DKKm

FY 2019 **201.3**

FY 2018 **117.4**

Net interest bearing debt, excl. IFRS 16

DKKm

FY 2019 **-126.9**

FY 2018 **-89.5**

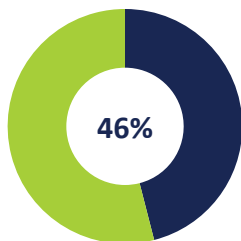
Minorities

Conversion of subsidiaries

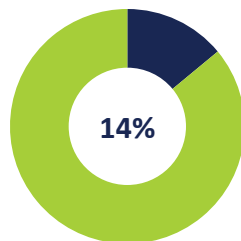
- As part of the listing process, seven mature subsidiaries have completed their equity swaps prior to the listing.
- Minorities shares of adj. EBIT for full year 2019 is reduced from 46% to 14%.
- Minorities' share of net income in 2019 is heavily impacted by special items for the year, as they are primarily borne by the Group.
- After the balance sheet date, the partners in NTG Polar Finland and NTG Polar Poland have been allowed to start converting their shares under Ring-the-Bell with the first fifth of the shares being converted in 2020.
- We expect that the minorities share of adj. EBIT for the year 2020 will amount to around 11-19%.

EBIT before special items (adj. EBIT)

Minorities' share



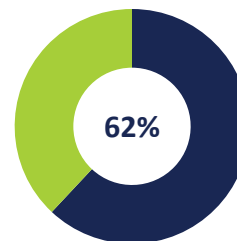
31 December 2018



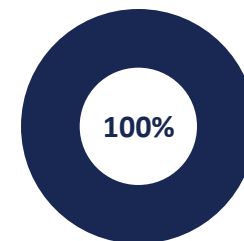
31 December 2019

Net income

Minorities' share



31 December 2018



31 December 2019

Expectations for 2020

A market of unknowns

- The world has had a turbulent start to 2020 with the outbreak and spread of COVID-19.
- The outbreak causes a high degree of uncertainty and unpredictability in the market with shifting trade patterns, unpredictable volumes, extended waiting times, and increased risk on debtors.
- Our guidance for the year assumes that economic activity will normalize during the second half of the year, but if this does not happen there is a downwards risk to our guidance. Until global economic activity is normalized, NTG will take the necessary steps to safeguard the financial strength of the company.
- Excluding the effects of COVID-19 our expectations for the year would have been in line with our mid-term targets, which remain unchanged.

Revenue

DKKm

4,500 to 5,300

EBIT before special items

DKKm

130 to 180

Q&A

