



Q3 2020 webcast presentation

NTG Nordic Transport Group

19 November 2020, 10:00am CET

IMPORTANT NOTICE

Information

This presentation has been prepared by NTG Nordic Transport Group A/S (“the **Company**”) for information purposes only. This presentation (i) is by necessity a summary of more detailed information, (ii) is not intended and should not be used to form the basis of any investment decision, and (iii) does not purport to be full or complete. The presentation is not intended to be and does not constitute an offer, or a solicitation of any offer, to buy or sell securities in any jurisdiction, including the United States, and should not be construed as a prospectus or offering document and investors should not subscribe for or purchase any shares in the Company on the basis of or in reliance on the information in this presentation or any information provided at any other presentation or document in connection herewith. Neither the receipt of this presentation, nor any information contained herein constitutes, or shall be relied upon as constituting, the giving of investment advice by the Company.

The Company makes no representation or warranty, expressed or implied, as to the accuracy or completeness of this presentation and the information contained herein. Accordingly, neither the Company, nor any of its shareholders or subsidiaries or any of such persons’ officers or employees or advisors accept any liability whatsoever arising directly or indirectly from the use of this presentation. The information in this presentation may include forward-looking statements. Such statements involve known and unknown risks, uncertainties and other important factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Forward-looking statements may include, but are not limited to, projections of revenue, statements relating to future financial performance, the growth of the market for the Company’s services, expansion plans and opportunities and statements regarding the Company’s plans, strategies and objectives for future operations and certain contingent or estimated future liabilities.

You can identify forward-looking statements by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential” or “continue”, the negative of such terms or other comparable terminology. Forward-looking statements reflect the Company’s current views about future events, are based on assumptions, and are subject to known and unknown risks and uncertainties and assumptions. Many of the factors that will determine future events or achievements are beyond the Company’s ability to control or predict. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. No one undertakes to update or revise any such forward-looking statement and no representation or warranty is given as to the achievement or reasonableness of future projections, management targets, estimates, prospect or returns, if any.

Legal and regulatory restrictions in general

The presentation is not a legal document and no action has been taken to qualify this presentation under the laws of any jurisdiction and its possession or use in any manner contrary to any applicable law is expressly prohibited by the Company. The recipient should inform itself about and observe any applicable legal and regulatory requirements in its jurisdiction. The distribution of this presentation in certain jurisdictions may be restricted by law and regulation, and accordingly, the recipient represents that it is able to receive this presentation without contravention of any unfulfilled registration requirements or other legal or regulatory restrictions in the jurisdiction in which it resides or conducts business. The above is governed by and shall be construed in accordance with Danish law. Any proceedings arising out of or in connection with this presentation shall exclusively be instituted in a Danish court.

Today's presenters



MICHAEL LARSEN

Group CEO



CHRISTIAN D. JAKOBSEN

Group CFO

Agenda

- **Highlights**
- **Quarterly financial review**
- **Other key figures**
- **Outlook**
- **Q&A**



A quarter to remember

Activity rebound continued throughout Q3 2020

- Operating margin of 5.7%
- Faster than anticipated normalisation in demand in the R&L division
- Demand lingering below pre-pandemic levels in the A&O division

Ebrex integration progressing according to plan

- Integration on track with c. 50% of the total synergies realised
- Total synergies of EUR c. 1.5 million expected with full effect from Q2 2021

Gondrand reaches a milestone

- Restructuring initiatives started to materialise in Q3 2020
- Gondrand contributed positively to adj. EBIT for the first time

Brexit preparations on track

- R&L customs department in the UK commences operations on 1 January 2021
- NTG is fully prepared to service customers regardless of the Brexit outcome

Guidance for the year maintained

Revenue

DKK 5,000 to 5,400 million

EBIT before special items (adj. EBIT)

DKK 240 to 260 million



Q3 2020 highlights

Highlights

Revenue

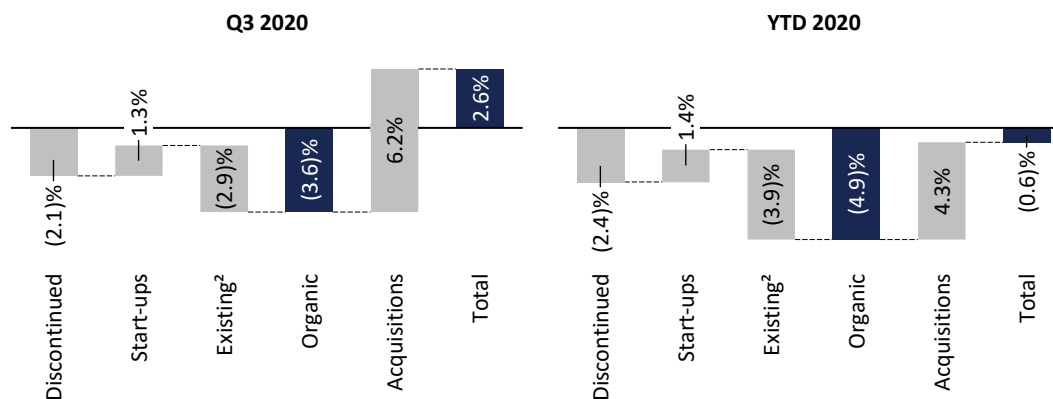
- Organic growth of negative 3.6% compared to Q3 2019
- Q3 affected by subdued demand and non-performing entities in A&O while R&L maintained strong momentum
- Ebrex contributed DKK 82.9 million on revenue in Q3 2020

Adj. EBIT

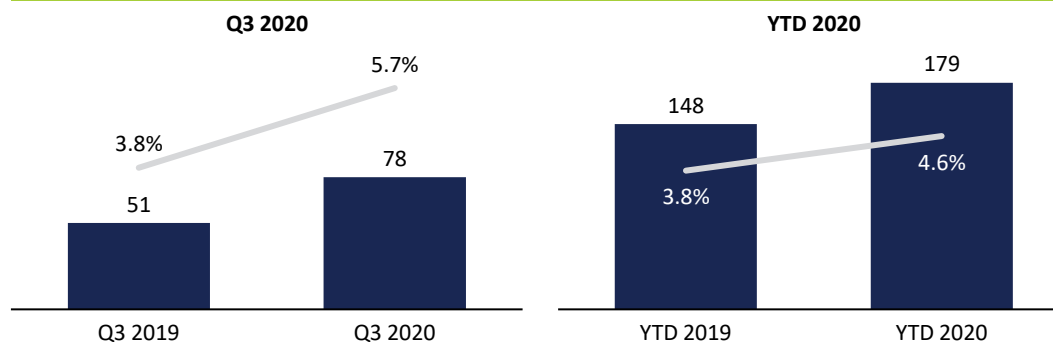
- Operating margin of 5.7% in Q3 2020 compared to 3.8% in Q3 2019 driven by the R&L division
- Gondrand contributed positively to adj. EBIT for the first time in Q3 2020 with DKK 1.8 million in total
- Ebrex contributed DKK 8.6 million on adj. EBIT in Q3 2020
- Temporary cost savings and public support programs contributed DKK c. 2 million on adj. EBIT in Q3 2020

DKKm	Q3			YTD		
	2020	2019	Δ	2020	2019	Δ
Net revenue	1,362	1,328	2.6%	3,907	3,931	(0.6)%
Gross profit	318	268	18.4%	889	794	11.9%
Adj. EBIT	78	51	52.7%	179	148	20.9%
Profit for the period	48	22	117.3%	95	62	52.9%
Financial ratios:						
Gross margin	23.3%	20.2%	3.1 pp.	22.7%	20.2%	2.5 pp.
Operating margin ¹	5.7%	3.8%	1.9 pp.	4.6%	3.8%	0.8 pp.
Conversion ratio	24.4%	18.9%	5.5 pp.	20.1%	18.6%	1.5 pp.

Net revenue growth break-down



Adj. EBIT (DKKm) and operating margin¹



1) Adj. EBIT / Net revenue. 2) Existing defined as organic growth excluding impact from discontinued activities and start-ups.

Road & Logistics



Highlights

Revenue

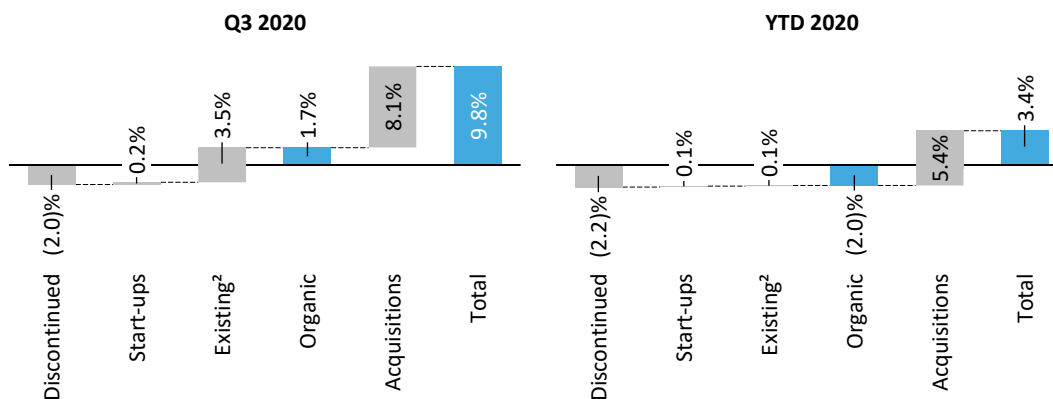
- Organic growth of 1.7% compared to Q3 2019 driven by faster than anticipated normalisation in demand
- Acquired growth driven by the acquisition of Ebrex

Adj. EBIT

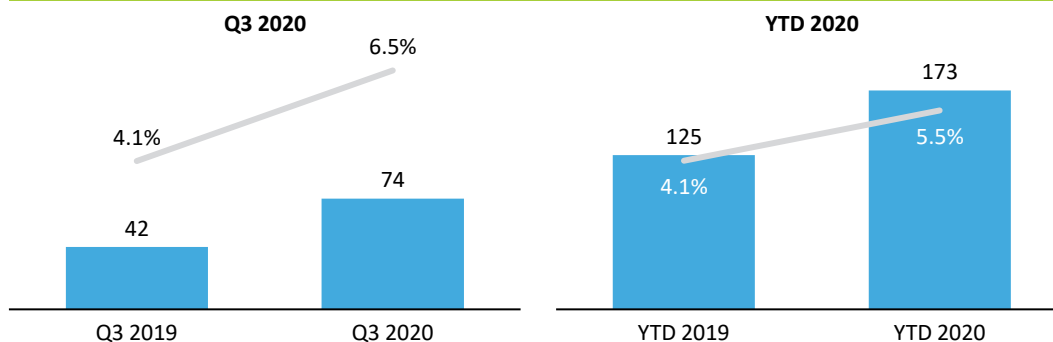
- Operating margin increased to 6.5% in Q3 2020 driven by increasing gross margin and conversion ratio
- Gross margin uptick driven by favourable development in direct cost and the acquisition of Ebrex
- Conversion ratio uptick driven by operational leverage in Denmark, Sweden, Finland, and Poland, and the turn-around or close-down of non-performing entities in Germany, Italy, and the Czech Republic

DKKkM	Q3			YTD		
	2020	2019	Δ	2020	2019	Δ
Net revenue	1,126	1,025	9.8%	3,169	3,065	3.4%
Gross profit	257	188	36.5%	702	569	23.3%
Adj. EBIT	74	42	77.0%	173	125	38.5%
Financial ratios:						
Gross margin	22.8%	18.4%	4.4 pp.	22.1%	18.6%	3.5 pp.
Operating margin ¹	6.5%	4.1%	2.4 pp.	5.5%	4.1%	1.4 pp.
Conversion ratio	28.7%	22.1%	6.6 pp.	24.6%	21.9%	2.7 pp.

Net revenue growth break-down



Adj. EBIT (DKKkM) and operating margin¹



1) Adj. EBIT / Net revenue. 2) Existing defined as organic growth excluding impact from discontinued activities and start-ups.

Air & Ocean



Highlights

Revenue

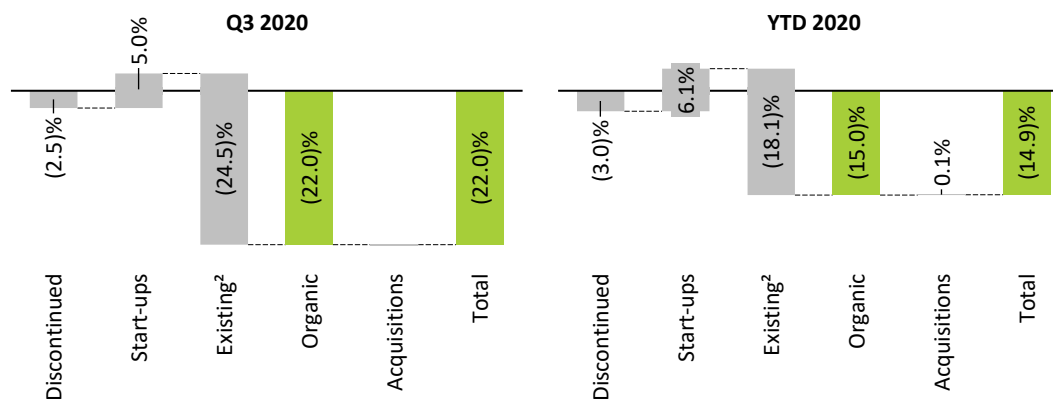
- Organic growth of negative 22.0% compared to Q3 2019 driven by demand lingering significantly below pre-pandemic levels
- Growth positively impacted by US start-ups though partially offset by the discontinuation or downsizing of certain non-performing activities

Adj. EBIT

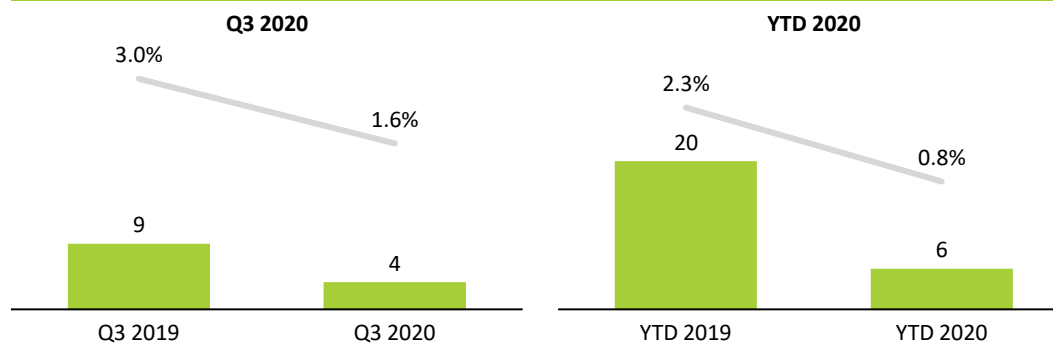
- Operating margin decreased to 1.6% in Q3 2020
- Profitability negatively impacted by the lower activity level, certain non-performing entities, and start-up cost in the US
- Progress on ongoing turnaround in Asia had a partially offsetting effect on profitability for the quarter

DKKkm	Q3			YTD		
	2020	2019	Δ	2020	2019	Δ
Net revenue	236	303	(22.0)%	738	867	(14.9)%
Gross profit	61	80	(23.7)%	187	225	(16.8)%
Adj. EBIT	4	9	(58.7)%	6	20	(72.6)%
Financial ratios:						
Gross margin	25.9%	26.4%	(0.5) pp.	25.4%	25.9%	(0.5) pp.
Operating margin ¹	1.6%	3.0%	(1.4) pp.	0.8%	2.3%	(1.5) pp.
Conversion ratio	6.1%	11.2%	(5.1) pp.	3.0%	9.0%	(6.0) pp.

Net revenue growth break-down



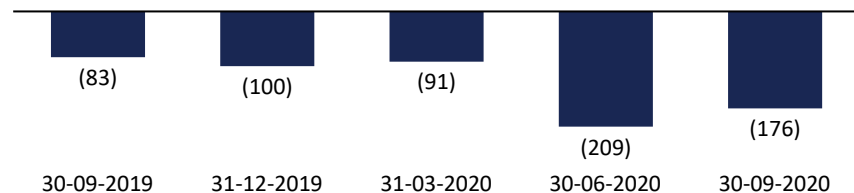
Adj. EBIT (DKKkm) and operating margin¹



1) Adj. EBIT / Net revenue. 2) Existing defined as organic growth excluding impact from discontinued activities and start-ups.

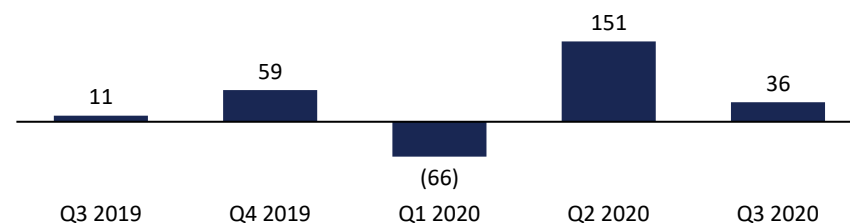
Other key figures

Net working capital (DKKm)



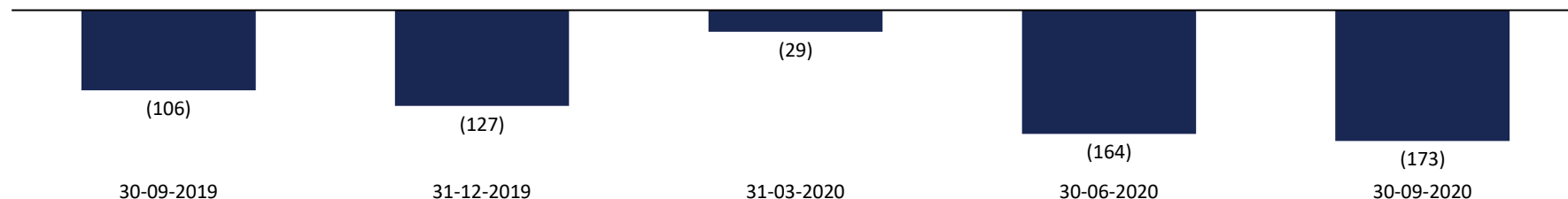
- Improvement in recent quarters driven by efficient cash management
- Adverse impact in Q3 2020 of the expiration of deferred payments on certain public debt and the Danish Holidays Act

Adjusted free cash flow¹ (DKKm)



- Positive year-on-year development primarily driven by strong operating performance
- Decline versus Q2 driven by a normalisation of net working capital

Net interest-bearing debt, excluding IFRS 16 (DKKm)



- Financial position continued to strengthen in Q3 2020, resulting in a net cash position of DKK 173 million excluding IFRS 16
- Undrawn committed credit facilities of DKK 150 million remain in place

¹) Cash flow from operating activities + cash flow from investing activities + special items (addback) – repayment of lease liabilities (reversed).

Outlook

Full-year outlook for 2020 maintained

Net revenue

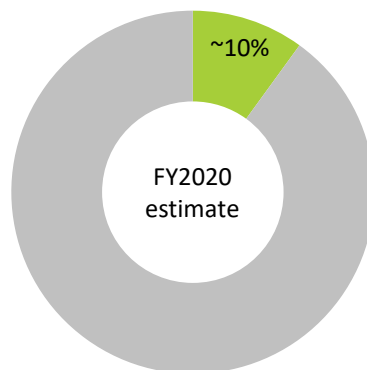
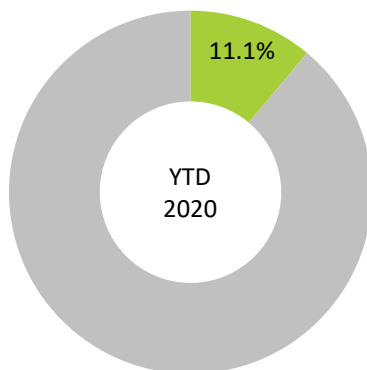
DKK **5,000** to **5,400** million

EBIT before special items (adj. EBIT)

DKK **240** to **260** million

- Assumption of unchanged market conditions in the fourth quarter of 2020 and;
- No new material adverse events affecting regional and global cargo volumes and trade patterns
- Uncertainty remains elevated due to the COVID-19 situation

Minorities' share of adj. EBIT



Q&A

Q&A