

# Q2 2024 Conference Call

NTG Nordic Transport Group

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## Today's presenters

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**MATHIAS JENSEN-VINSTRUP**

Group CEO



**CHRISTIAN D. JAKOBSEN**

Group CFO

# AGENDA

Q2 2024 highlights and M&A

Financial review

Other key figures

Outlook for 2024

Q&A



# Q2 2024 highlights



PROFITABILITY AFFECTED  
BY COMPETITION



SIGNS OF STABILISATION  
IN ACTIVITY



INVESTMENTS IN THE  
R&L ORGANISATION






2024 GUIDANCE  
MAINTAINED

# M&A

 **SCHMALZ+SCHÖN Holding GmbH**

**Key figures**

 White collars	330
 Revenue <sup>1</sup>	DKK 1,142 million
 EBIT <sup>1</sup>	DKK 77 million

**Description:**

- SCHMALZ+SCHÖN specialises in road and logistics services, offering tailored solutions to complex challenges for its long-standing customer base.
- The acquisition of SSH marks a significant milestone for NTG in Germany and will significantly strengthening our road and logistics network.

 **DB SCHENKER**  
 Italian Land-based furniture activities

**Key figures**

 White collars	21
 Revenue <sup>2</sup>	DKK 91 million
 EBIT <sup>2</sup>	DKK 4 million

**Description:**

- The land-based furniture logistics division of Schenker Italiana, located in Como, Italy, is a specialised full-service provider of furniture logistics solutions, focusing on handling, storing, and transporting high-end furniture.
- The acquisition aligns with NTG's ambition to establish a pan-European land-based furniture logistics provider.

 **Freightzen Logistics**  
 Division of parcel already delivered

**Key figures**

 White collars	41
 Revenue <sup>3</sup>	DKK 78 million

**Description:**

- Feightzen delivers personalised and customised logistics solutions by air and ocean, with strategically located offices in Thailand, Vietnam and Malaysia.
- Decisive steps in developing NTG's Air & Ocean division, enhancing our network and broadening our footprint within the APAC region.

1) Reported revenue and EBIT for 2023.

2) Reported revenue and stand-alone EBIT for 2023.

3) Expected revenue for 2024.

## Financial review: Group (I/II)

DKKm	Q2			YTD		
	2024	2023	Δ	2024	2023	Δ
Net revenue	2,305	2,120	8.7%	4,463	4,374	2.0%
Gross profit	475	482	-1.5%	938	959	-2.2%
Adjusted EBIT	165	148	11.5%	279	298	-6.4%
Gross margin	20.6%	22.7%	-2.1 p.p.	21.0%	21.9%	-0.9 p.p.
Operating margin	7.2%	7.0%	0.2 p.p.	6.3%	6.8%	-0.5 p.p.
Conversion ratio	34.7%	30.7%	4.0 p.p.	29.7%	31.1%	-1.4 p.p.

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

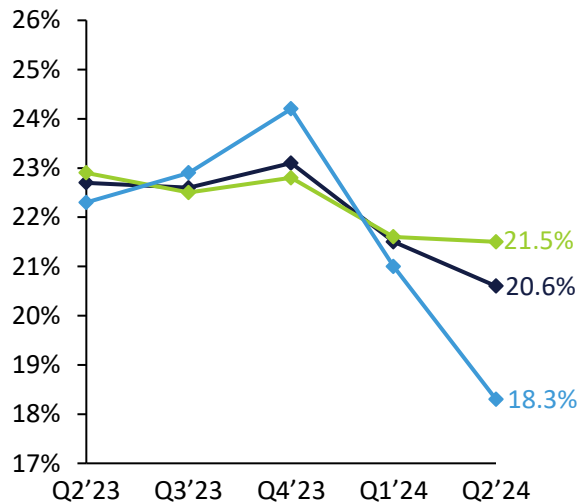
	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q2 2024	0.0%	1.2%	5.0%	<b>6.2%</b>	2.2%	0.3%	<b>8.7%</b>
YTD 2024	0.0%	0.7%	-0.7%	<b>0.0%</b>	1.8%	0.2%	<b>2.0%</b>

### COMMENTS

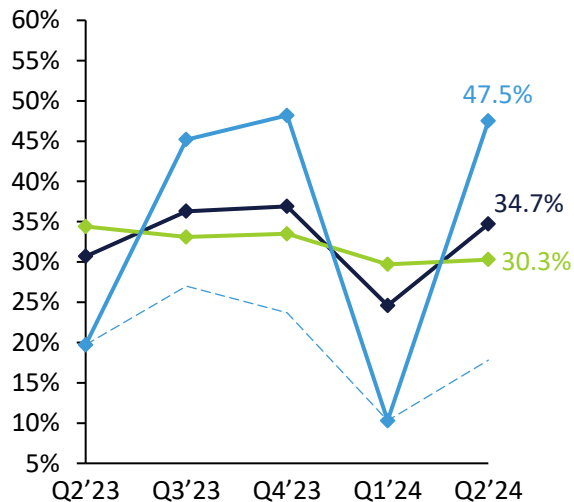
- Uptick in net revenue driven by a proactive market approach, higher freight rates and new start-up in the US.
- Gross margin decreased due to squeezed yields from intense competition and demanding market conditions.
- Operating margin positively affected by the settlement of the AGL earn-out agreement.

# Financial review: Group (II/II)

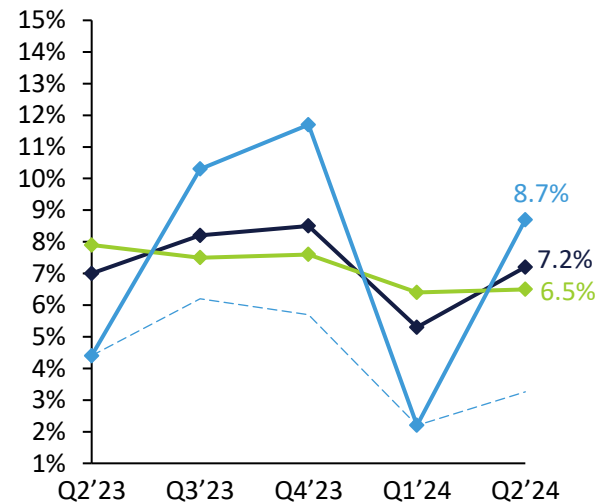
## Gross margin



## Conversion ratio



## Operating margin



◆ Group   
 ◆ Road & Logistics   
 ◆ Air & Ocean



# Financial review: Road & Logistics

DKKm	Q2			YTD		
	2024	2023	Δ	2024	2023	Δ
Net revenue	1,662	1,575	5.5%	3,266	3,223	1.3%
Gross profit	357	360	-0.8%	704	708	-0.6%
Adjusted EBIT	108	124	-12.9%	211	241	-12.4%
Gross margin	21.5%	22.9%	-1.4 p.p.	21.6%	22.0%	-0.4 p.p.
Operating margin	6.5%	7.9%	-1.4 p.p.	6.5%	7.5%	-1.0 p.p.
Conversion ratio	30.3%	34.4%	-4.1 p.p.	30.0%	34.0%	-4.0 p.p.

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

	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q2 2024	0.0%	0.0%	2.4%	<b>2.4%</b>	3.0%	0.1%	<b>5.5%</b>
YTD 2024	0.0%	0.0%	-1.3%	<b>-1.3%</b>	2.4%	0.2%	<b>1.3%</b>

## COMMENTS

- Organic revenue growth was positively affected by new business in main markets, partly offset by a decline in volumes in Sweden.
- Gross margin decreased due to increasing haulier costs, partially offset by the RTC acquisition.
- The operating margin was negatively affected by the gross profit development as well as the lost volumes in the Swedish market.

## Financial review: Air & Ocean

DKKm	Q2			YTD		
	2024	2023	Δ	2024	2023	Δ
Net revenue	644	546	17.9%	1,197	1,151	4.0%
Gross profit	118	122	-3.3%	234	251	-6.8%
Adjusted EBIT	56	24	133.3%	68	56	21.4%
Gross margin	18.3%	22.3%	-4.0 p.p.	19.5%	21.8%	-2.3 p.p.
Operating margin	8.7%	4.4%	4.3 p.p.	5.7%	4.9%	0.8 p.p.
Conversion ratio	47.5%	19.7%	27.8 p.p.	29.1%	22.3%	6.8 p.p.

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

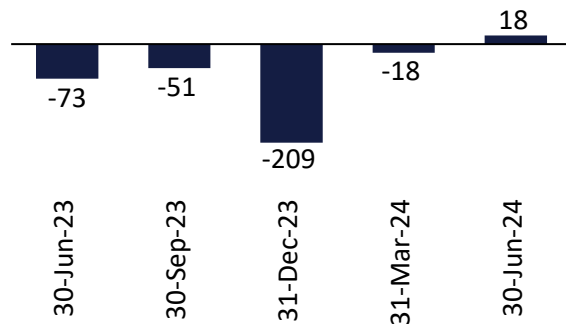
	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q2 2024	0.0%	4.6%	12.4%	<b>17.0%</b>	0.0%	0.9%	<b>17.9%</b>
YTD 2024	0.0%	2.5%	1.2%	<b>3.7%</b>	0.0%	0.3%	<b>4.0%</b>

### COMMENTS

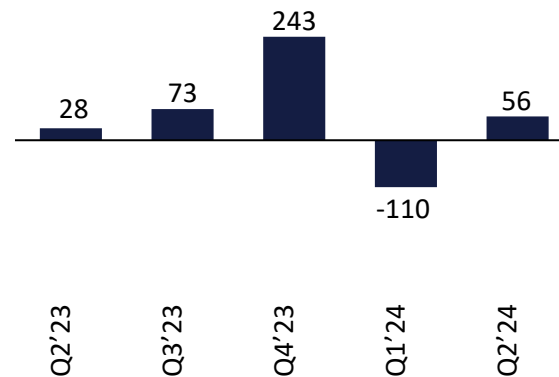
- Organic revenue growth was mainly driven by intensified efforts to win new business, higher freight rates and the start-up in the US.
- Gross margin decreased due to the pass-through effect from increasing freight rates and impacted by muted gross profit yields.
- The operating margin was positively affected by the AGL earn-out settlement, and negatively impacted by the gross profit development.

# Other key figures

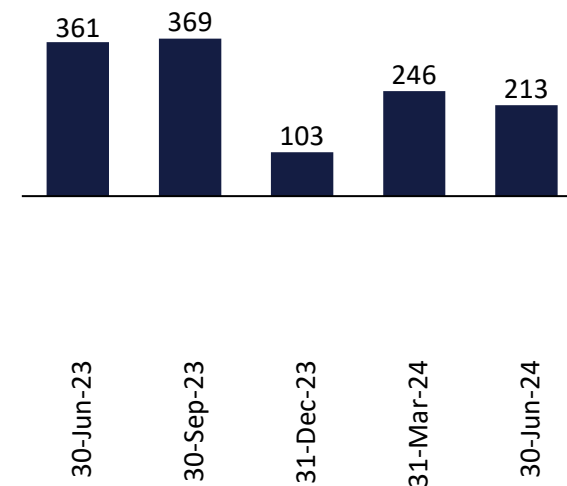
## Net working capital (DKKk)



## 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.

# Full-year outlook 2024

DKKm	2023 realised	2024 outlook
Adjusted EBIT	630	500 – 580

## 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 three 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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