



# Q1 2023 Conference Call

NTG Nordic Transport Group

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# Today's presenter

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**CHRISTIAN D. JAKOBSEN**

Group CFO

# AGENDA

Highlights

Financial review

Other key figures

Outlook for 2023

Q&A



# Q1 2023 highlights

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**CHALLENGING MARKET  
DYNAMICS**



**MACROECONOMIC  
HEADWINDS**



**LOWER VOLUMES &  
LOWER RATES**



**DECLINE IN ORGANIC  
GROWTH FOR BOTH  
DIVISIONS**



**2023 GUIDANCE  
MAINTAINED**

# Financial review: Group (I/II)

DKK M	Q1		
	2023	2022	Δ
Net revenue	2,254	2,178	3.5%
Gross profit	477	428	11.4%
Adjusted EBIT	150	160	(6.3)%
Gross margin	21.2%	19.6%	1.6 p.p.
Operating margin	6.7%	7.3%	(0.6) p.p.
Conversion ratio	31.4%	37.3%	(5.9) p.p.

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

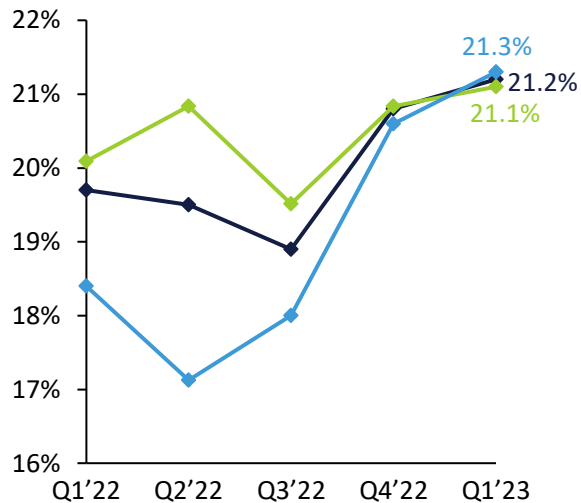
	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q1 2023	0%	0.3%	(7.5)%	<b>(7.2)%</b>	12.5%	(2.1)%	<b>3.5%</b>

## COMMENTS

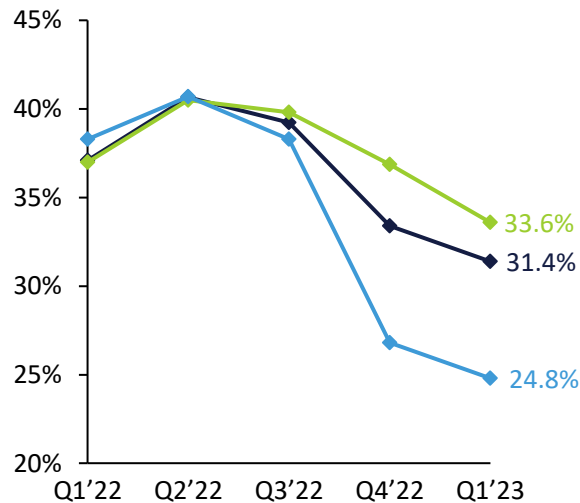
- Challenging market conditions in Q1 of 2023.
- Organic growth was under pressure from softer volumes and lower rates, especially in Air & Ocean.
- Conversion ratio declined due to lower GP coupled with investments in the organisation.
- Having a flexible cost base remains important amid changing market dynamics.

# Financial review: Group (II/II)

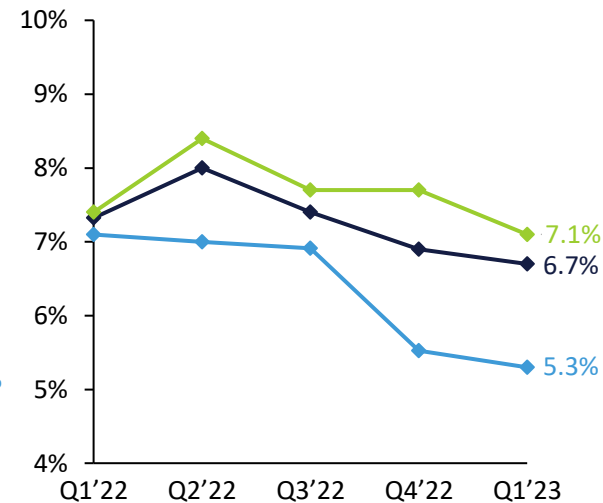
### Gross margin



### Conversion ratio



### Operating margin



◆ Group ◆ Road & Logistics ◆ Air & Ocean

# Financial review: Road & Logistics

DKK M	Q1		
	2023	2022	Δ
Net revenue	1,648	1,691	(2.5)%
Gross profit	348	352	(1.1)%
Adjusted EBIT	117	126	(7.1)%
Gross margin	21.1%	20.8%	0.3 p.p.
Operating margin	7.1%	7.5%	(0.4) p.p.
Conversion ratio	33.6%	35.8%	(2.2) p.p.

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

	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q1 2023	0.0%	0.2%	(1.4)%	<b>(1.2)%</b>	1.0%	(2.5)%	<b>(2.5)%</b>

## COMMENTS

- Challenging dynamics in the spot market led to larger focus on contracted revenue.
- The division has reacted swiftly to reduce the cost base to the current market conditions.
- Conversion ratio was slightly lower, mainly due to investments in sales organisation and group functions.



## Financial review: Air & Ocean

DKK <sup>m</sup>	Q1		
	2023	2022	Δ
Net revenue	605	487	24.2%
Gross profit	129	77	67.5%
Adjusted EBIT	32	34	(5.9)%
Gross margin	21.3%	15.8%	5.5 p.p.
Operating margin	5.3%	7.0%	(1.7) p.p.
Conversion ratio	24.8%	44.2%	(19.4) p.p.

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

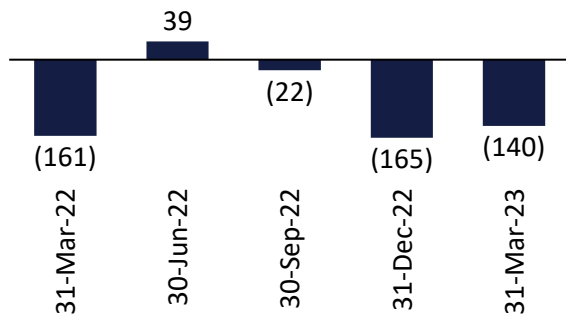
	Discont'd	Start-ups	Existing	Organic	M&A	FX	Total
Q1 2023	0.0%	0.8%	(29.2)%	<b>(28.4)%</b>	52.6%	(0.8)%	<b>24.2%</b>

### COMMENTS

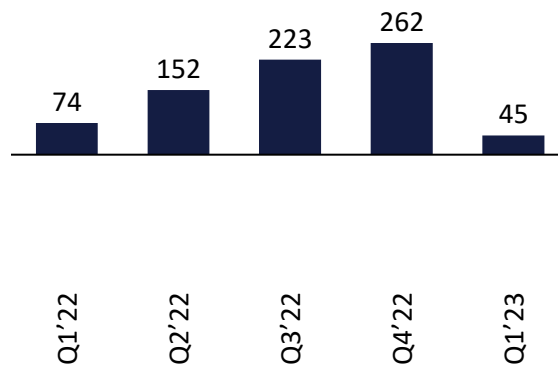
- Decline in freight rates continued and, coupled with lower volumes, led to a challenging quarter with a decline in organic growth.
- While gross margins were higher as a result of lower freight rates, the conversion ratio declined due to lower absolute organic gross profit, combined with investments in the division's sales organisation.

# Other key figures

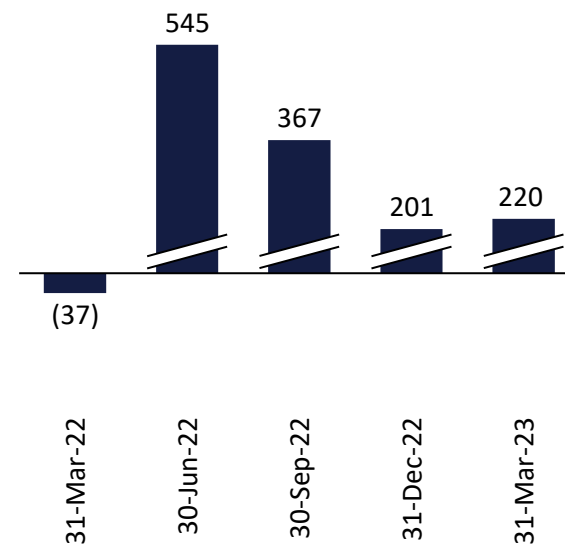
## Net working capital (DKKk)



## 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 2023

DKKm	2022 realised	2023 outlook
Adjusted EBIT	758	620 - 700

## Key assumptions

- The outlook assumes a weakening macroeconomic environment in the first half of 2023, followed by a gradual rebound in activity during the second half of the year.
- The Road & Logistics division is assumed to experience a low single-digit decline in volumes in 2023, with increasing repositioning cost on certain corridors, partially offset by reduced capacity shortages and normalised spot rates.
- The Air & Ocean division is assumed to experience a single-digit decline in volumes in 2023, with freight rates and yields continuing to decline.
- The outlook further assumes currency exchange rates at current levels.
- Uncertainty remains high and the assumptions underlying the outlook may change.





# Q&A

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