



Q2 2020 webcast presentation

NTG Nordic Transport Group

20 August 2020, 10:00am CEST

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Today's presenters



MICHAEL LARSEN

Group CEO

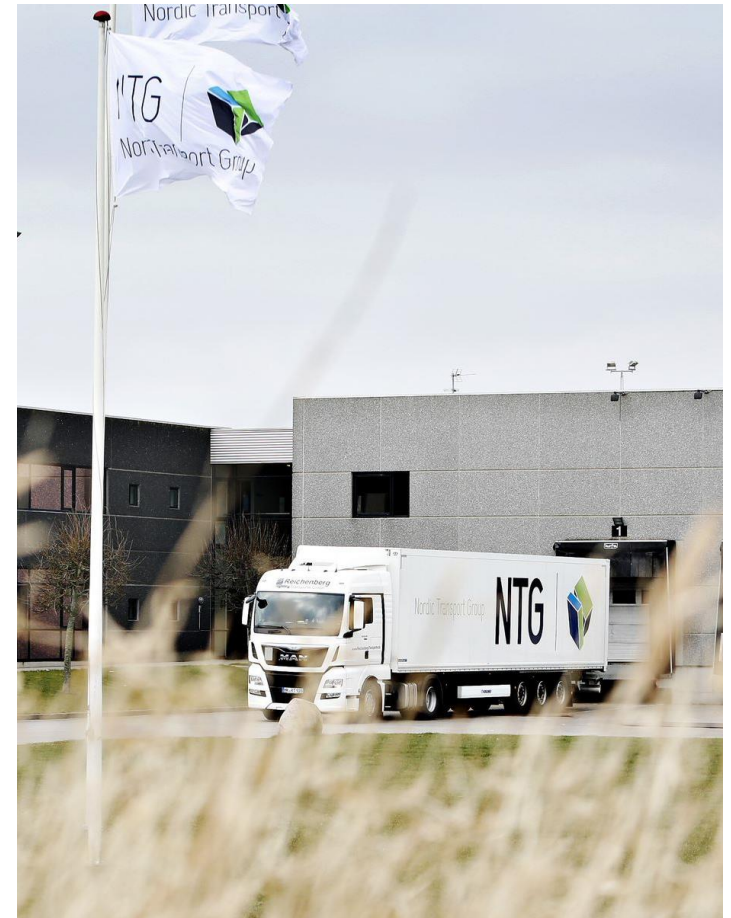


CHRISTIAN D. JAKOBSEN

Group CFO

Agenda

- **Overview**
- **Q2 2020 highlights**
- **Segment review**
- **Other key figures**
- **Q&A**



Performance in Q2 2020 above expectations

Positive momentum towards the end of the quarter

- Our business picked up faster than anticipated towards the end of Q2
- Strong performance in the Road & Logistics division in the Nordics
- Tough market conditions continue to prevail in the Air & Ocean division

Implementation of cost savings

- Cost savings implemented in response to challenging market conditions
- Focus on safeguarding our ability to serve customers as activity picks up

Integration of Ebrex on track

- Integration progressing according to plan
- Synergies of EUR c. 1.5 million expected with full effect from Q2 2021

Restructuring of Gondrand continues

- Significant air and ocean exposure impacted by challenging market conditions
- Reorganisation and headcount reductions implemented in H1 2020

Guidance for the year maintained

Revenue

DKK 5,000 to 5,400 million

EBIT before special items (adj. EBIT)

DKK 200 to 230 million



Q2 2020 highlights

Highlights

Revenue

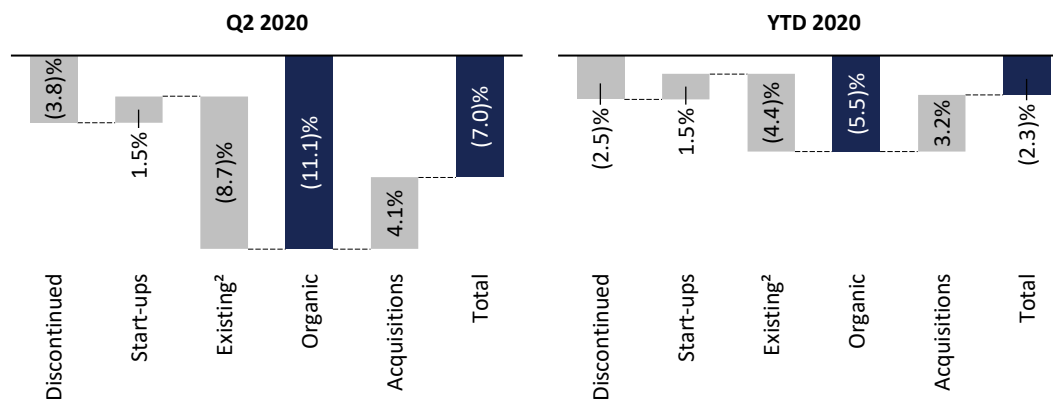
- Organic growth of negative 11.1% compared to Q2 2019
- Ebrex contributed DKK 54.5 million on revenue in Q2 2020

Adj. EBIT

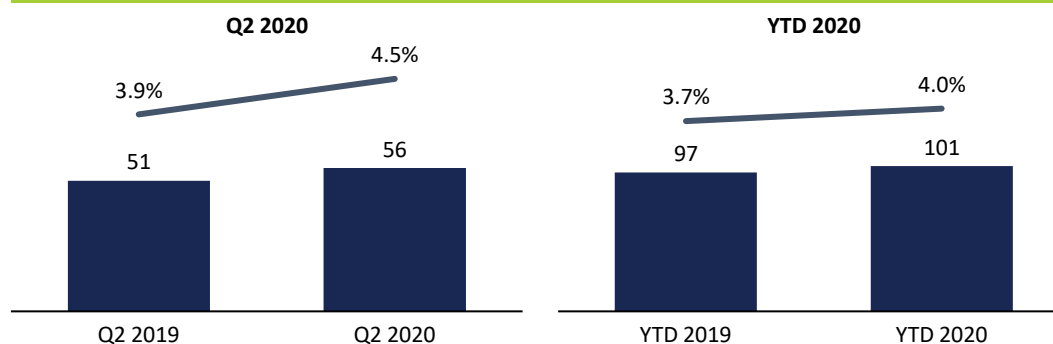
- Operating margin increased to 4.5% in Q2 2020
- Ebrex contributed DKK 5.4 million on adj. EBIT in Q2 2020
- Temporary cost savings and government support programs contributed DKK 14 million on adj. EBIT in Q2 2020
- Strong performance in the Road & Logistics division
- Restructuring costs in former Gondrand entities had an offsetting effect in the second quarter

DKKm	Q2			YTD		
	2020	2019	Δ	2020	2019	Δ
Net revenue	1,234	1,326	(7)%	2,545	2,603	(2)%
Gross profit	295	268	10%	571	525	9%
Adj. EBIT	56	51	10%	101	97	4%
Profit for the period	26	16	62%	47	40	18%
Financial ratios:						
Gross margin	23.9%	20.2%	3.7 pp.	22.4%	20.2%	2.3 pp
Operating margin ¹	4.5%	3.9%	0.7 pp.	4.0%	3.7%	0.2 pp.
Conversion ratio	19.0%	19.1%	(0.1) pp.	17.7%	18.5%	(0.8) 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

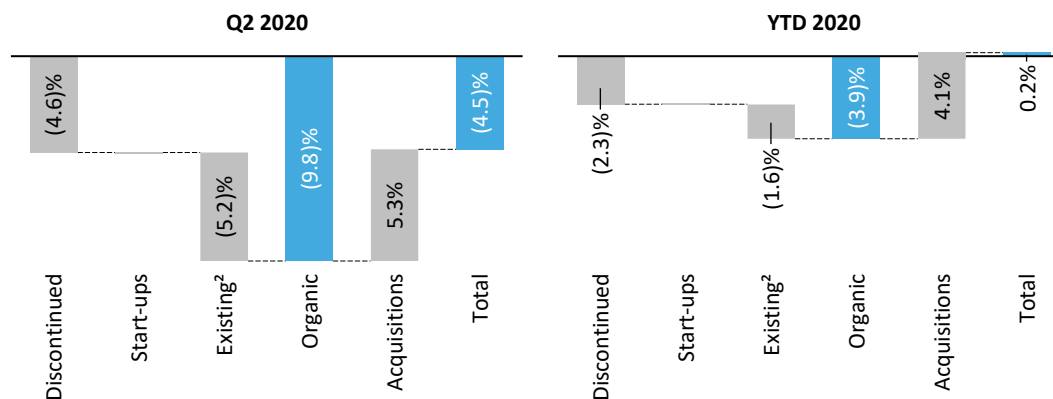
- Organic growth of negative 9.8% compared to Q2 2019
- Discontinuation of certain activities in Germany, Italy and Czech Republic had a negative impact in Q2 2020
- Acquired growth driven by the acquisition of Ebrex

Adj. EBIT

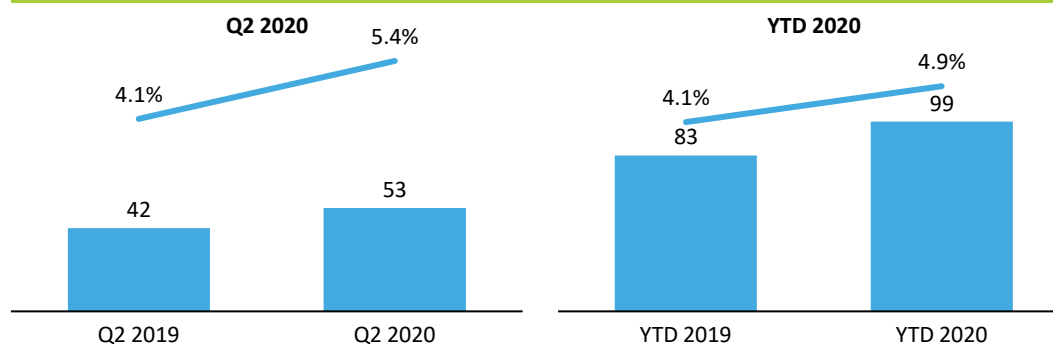
- Operating margin increased to 5.4% in Q2 2020
- Cost savings and government support programs had a positive impact while restructuring cost in former Gondrand entities had an offsetting effect
- Lower cost base in certain Nordic subsidiaries, the acquisition of Ebrex and discontinuation of non-performing activities supported the margin uptick

DKKm	Q2			YTD		
	2020	2019	Δ	2020	2019	Δ
Net revenue	975	1,021	(4)%	2,043	2,040	0%
Gross profit	233	196	19%	445	381	17%
Adj. EBIT	53	42	24%	99	83	19%
Financial ratios:						
Gross margin	23.8%	19.2%	4.7 pp.	21.8%	18.7%	3.1 pp.
Operating margin ¹	5.4%	4.1%	1.3 pp.	4.9%	4.1%	0.8 pp.
Conversion ratio	22.6%	21.6%	1.0 pp.	22.3%	21.8%	0.4 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.

Air & Ocean



Highlights

Revenue

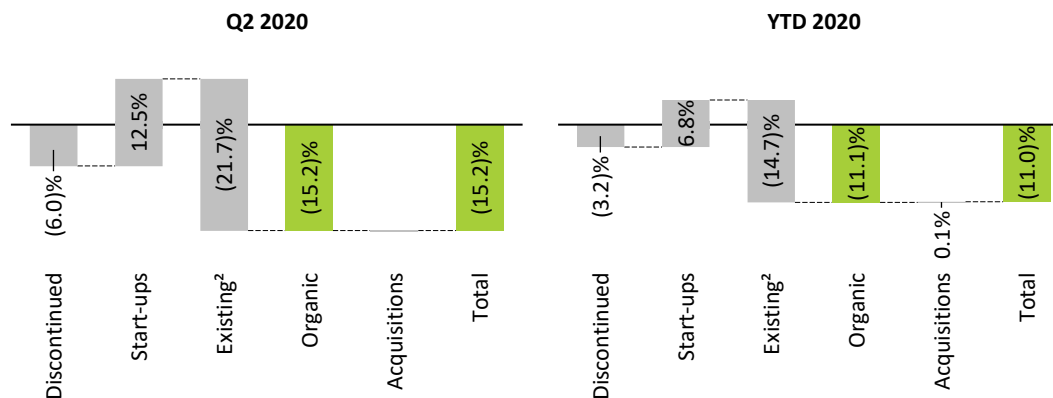
- Organic growth of negative 15.2% compared to Q2 2019
- Activity slowdown and limited scale hampered the Air & Ocean division's ability to maneuver in challenging market conditions
- Non-performing activities in Italy have been discontinued

Adj. EBIT

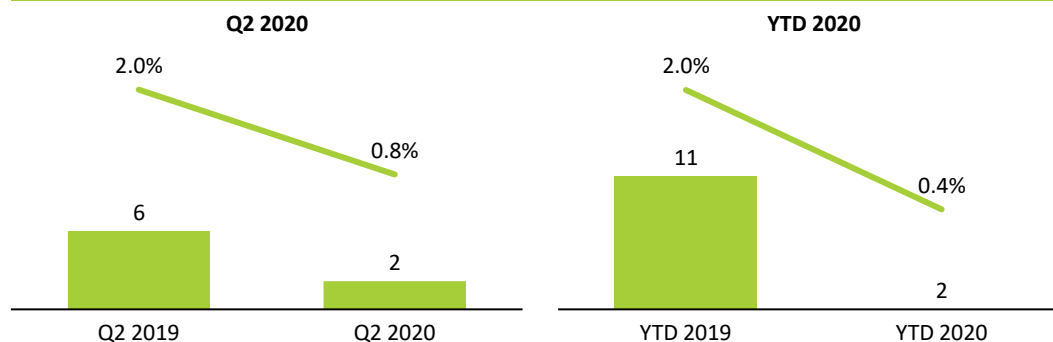
- Operating margin decreased to 0.8% in Q2 2020
- Strong performance in the United States, divestment of non-performing activities as well as government support and cost savings secured profitability in the second quarter
- Restructuring costs in a former Gondrand entity had an offsetting effect

DKKkm	Q2			YTD		
	2020	2019	Δ	2020	2019	Δ
Net revenue	259	305	(15)%	501	564	(11)%
Gross profit	63	79	(20)%	126	145	(13)%
Adj. EBIT	2	6	(64)%	2	11	(84)%
Financial ratios:						
Gross margin	24.3%	25.9%	(1.6) pp.	25.1%	25.7%	(0.5) pp.
Operating margin ¹	0.8%	2.0%	(1.2) pp.	0.4%	2.0%	(1.6) pp.
Conversion ratio	3.5%	7.8%	(4.3) pp.	1.5%	7.8%	(6.4) pp.

Net revenue growth break-down



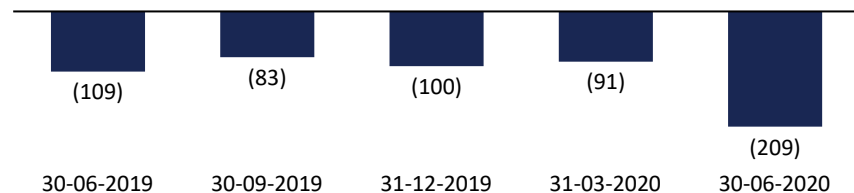
Adj. EBIT (DKKkm) and operating margin¹



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

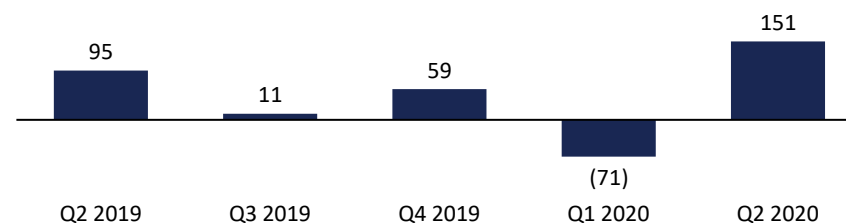
Other key figures

Net working capital (DKKm)



- Persistent focus on working capital drives strong performance
- H1 2020 further supported by deferred payments of public debts enabled by public support programs in certain countries

Adjusted free cash flow¹ (DKKm)



- Strong free cash flow reiterates the merits of our asset-light setup
- Cash generation strengthened in H1 2020 despite tough market conditions

Net interest-bearing debt, excl. IFRS 16 (DKKm)



- Solid financial position adds flexibility to meet additional uncertainties that COVID-19 may impose in H2 2020
- Additional undrawn committed credit facilities of DKK 150 million 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

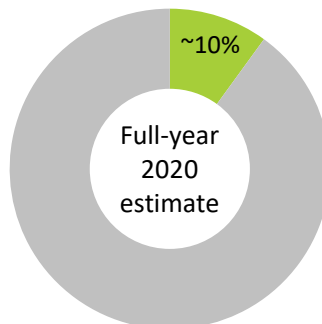
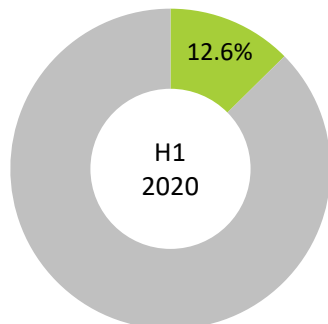
DKK **5,000** to **5,400** million

EBIT before special items (adj. EBIT)

DKK **200** to **230** million

- Assumption of continued gradual improvements of market conditions during the second half of 2020 and;
- No new material adverse events affecting global cargo volumes and trade patterns
- Guidance is still subject to a high degree of uncertainty

Minorities' share of adj. EBIT



Q&A