



# Full-year 2020 webcast presentation

**NTG Nordic Transport Group**

12 March 2021, 10:00am CET

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## Today's presenters

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**MICHAEL LARSEN**

Group CEO



**CHRISTIAN D. JAKOBSEN**

Group CFO

# Agenda

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- **Highlights**
- **Financial review**
- **Other key figures**
- **Outlook**
- **Q&A**





# An eventful year

## Resilient performance

- Financial results in line with the 2020 outlook
- Net revenue in line with 2019; adjusted EBIT increased 25%

## Corporate overhaul

- Extensive overhaul of underperforming activities completed
- Restructuring, close-down, or divestments in certain countries

## Turn-around of former Gondrand activities

- Activities contributed positively to adjusted EBIT in Q3 and Q4

## Execution of growth strategy

- Three acquisitions completed
- Four start-ups established

## Fortified management team

- Management team completed following three additions

## Outlook for 2021

Revenue

**DKK 5,500 to 6,000 million**

EBIT before special items (adj. EBIT)

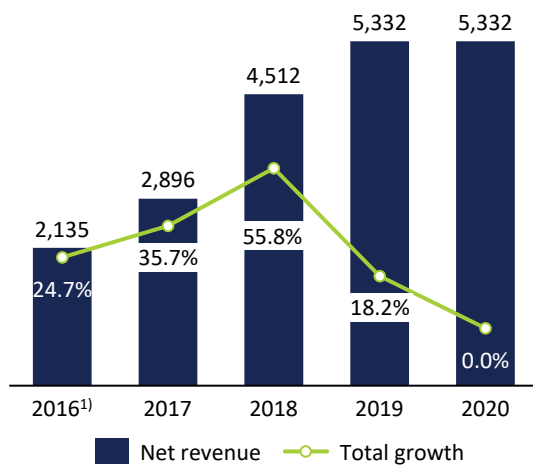
**DKK 300 to 350 million**



# Five-year overview

## Net revenue

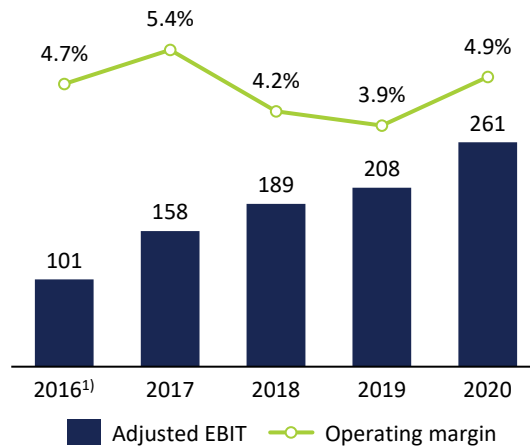
DKK million



- Double-digit growth rates from 2016 to 2019
- 2020 affected by the COVID-19 pandemic

## Adjusted EBIT

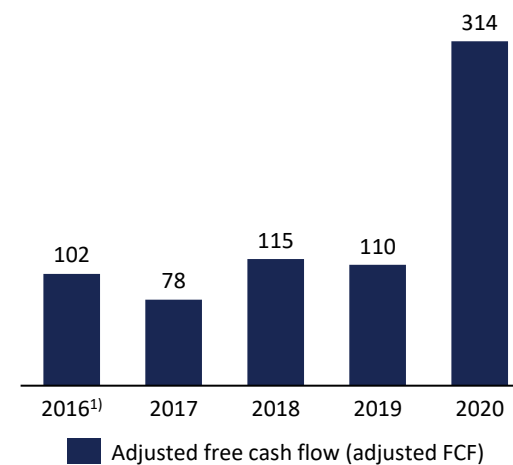
DKK million



- Positive margin trajectory driven by scale and optimisation
- Strong performance in the Road & Logistics division

## Adjusted free cash flow

DKK million



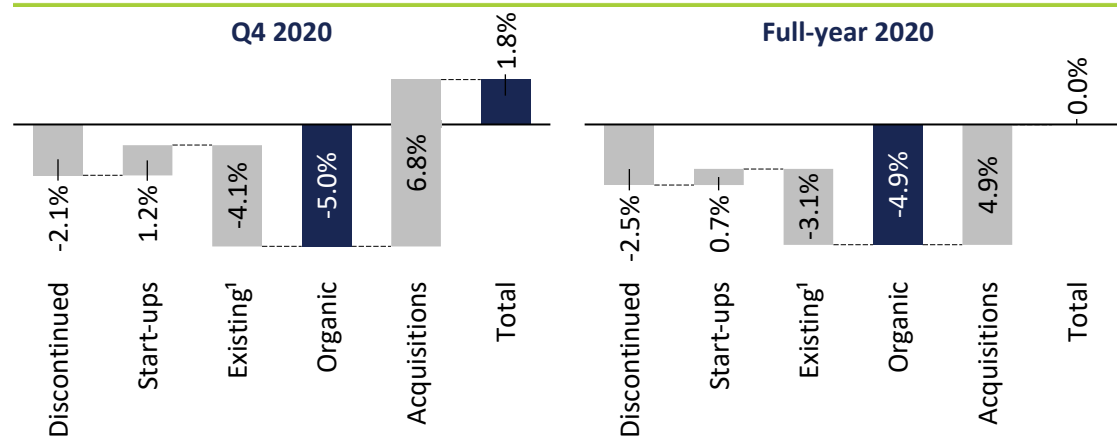
- All time high adjusted FCF driven by operating performance and strict cash management
- Prudent cash position (excl. IFRS 16) maintained from 2016-2020

1) Figures presented according to Danish GAAP.

# Group financial review

DKKm	Q4			Full-year		
	2020	2019	Δ	2020	2019	Δ
Net revenue	1,425	1,401	1.8%	5,332	5,332	0.0%
Gross profit	350	293	19.5%	1,238	1,087	14.0%
Adjusted EBIT	82	60	36.6%	261	208	25.3%
Profit for the period	54	-54		149	8	
Gross margin	24.5%	20.9%	3.6 p.p.	23.2%	20.4%	2.8 p.p.
Operating margin	5.8%	4.3%	1.5 p.p.	4.9%	3.9%	1.0 p.p.
Conversion ratio	23.5%	20.5%	3.0 p.p.	21.1%	19.1%	2.0 p.p.

## Net revenue growth break-down



## Comments

- Adjusted EBIT increased by 25% in 2020
- Organic growth affected by the COVID-19 pandemic and divisional overhauls
- Start-ups and acquisitions contributed positively to total growth
- Gross margin uptick mainly driven by favorable development in direct costs and the acquisition of Ebrex
- Increasing conversion ratio driven by efficiency initiatives, cost savings, and restructurings
- Diminishing margin drag from Gondrand following the restructuring

1) Existing defined as organic growth excluding impact from discontinued activities and start-ups.

# Road & Logistics financial review

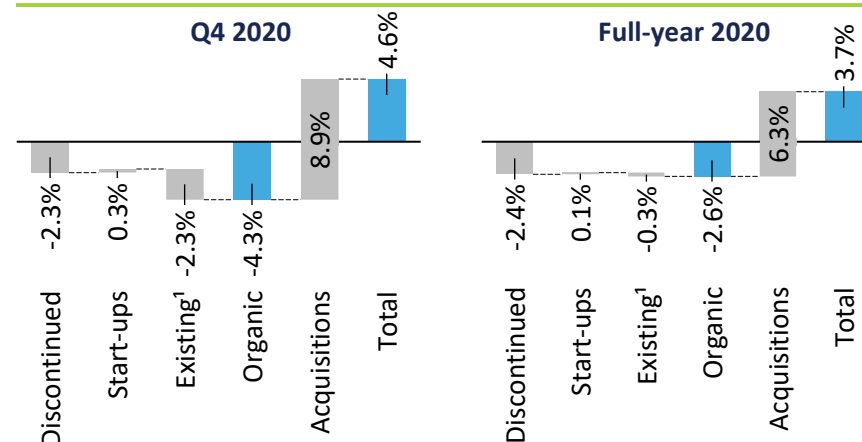


## Comments

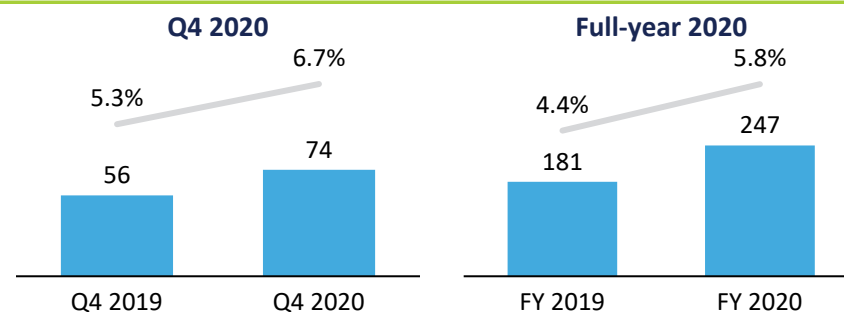
- Organic growth decline driven by COVID-inflicted stagnation in demand across sectors and discontinuation of activities in Germany (2020), Italy (2019), and Czech Republic (2019)
- Acquired growth driven by the acquisitions of Ebrex, Saga Trans, and TB International
- Operating margin uptick mainly driven by increasing gross margin, acquisition of Ebrex, restructurings, and efficiency initiatives

DKKm	Q4			Full-year		
	2020	2019	Δ	2020	2019	Δ
Net revenue <sup>2</sup>	1,106	1,057	4.6%	4,275	4,122	3.7%
Gross profit	278	213	30.5%	979	782	25.3%
Adjusted EBIT	74	56	31.6%	247	181	36.3%
Gross margin	25.1%	20.1%	5.0 p.p.	22.9%	19.0%	3.9 p.p.
Operating margin	6.7%	5.3%	1.4 p.p.	5.8%	4.4%	1.4 p.p.
Conversion ratio	26.7%	26.4%	0.3 p.p.	25.2%	23.2%	2.0 p.p.

## Net revenue growth break-down



## Adj. EBIT (DKKm) and operating margin



1) Existing defined as organic growth excluding impact from discontinued activities and start-ups. 2) External.



# Air & Ocean financial review

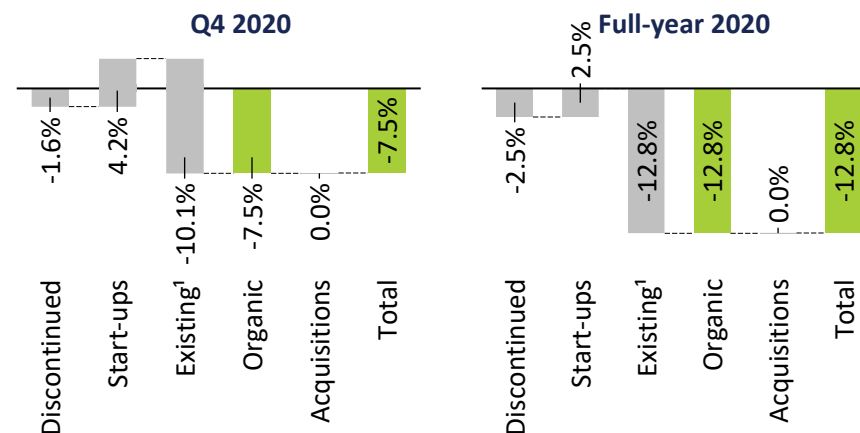


## Comments

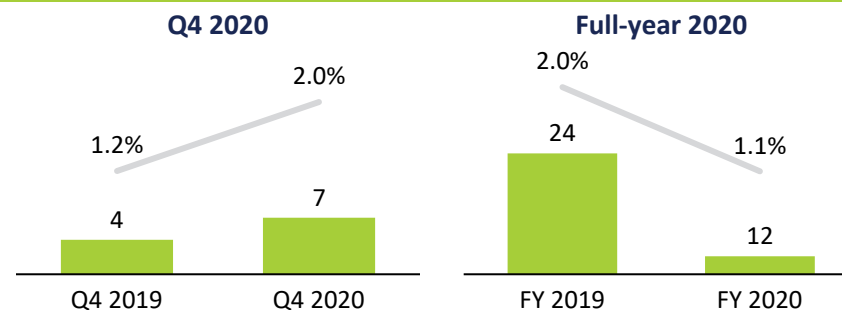
- COVID-19 and restructurings impacted organic growth negatively in 2020
- Start-ups in the US contributed positively to total growth for the period
- Cost savings and restructuring initiatives started to materialise during the fourth quarter of the year

DKKm	Q4			Full-year		
	2020	2019	Δ	2020	2019	Δ
Net revenue <sup>2</sup>	319	345	-7.5%	1,057	1,212	-12.8%
Gross profit	72	82	-12.0%	259	306	-15.5%
Adjusted EBIT	7	4	63.9%	12	24	-50.1%
Gross margin	22.5%	23.7%	-1.2 p.p.	24.5%	25.3%	-0.8 p.p.
Operating margin	2.0%	1.2%	0.8 p.p.	1.1%	2.0%	-0.9 p.p.
Conversion ratio	9.1%	5.0%	4.1 p.p.	4.7%	7.9%	-3.2 p.p.

## Net revenue growth break-down



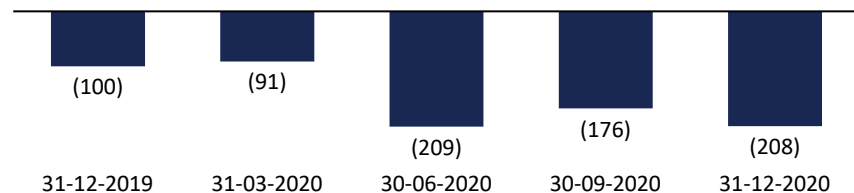
## Adj. EBIT (DKKm) and operating margin



1) Existing defined as organic growth excluding impact from discontinued activities and start-ups. 2) External.

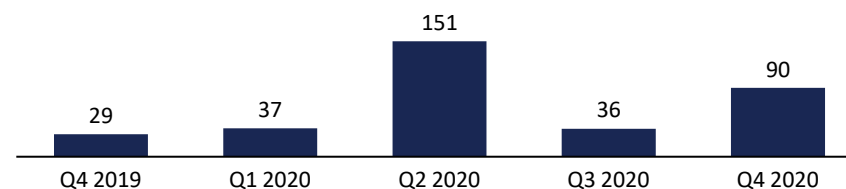
## Other key figures

### Net working capital (DKKm)



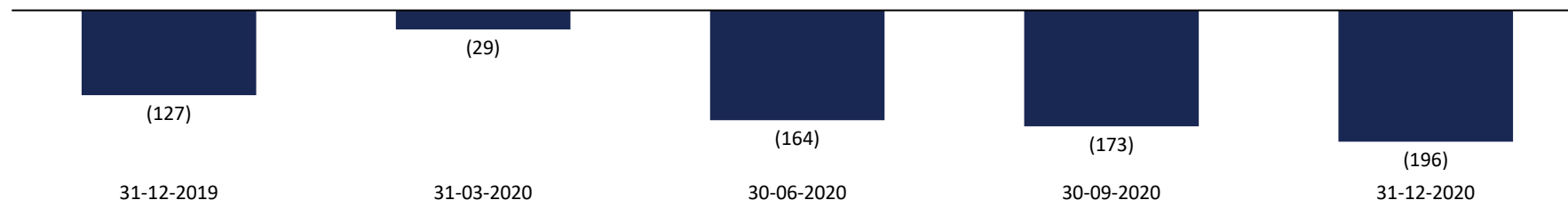
- Development mainly a result of continued strict cash management
- Minor impact from public support programs

### Adjusted free cash flow<sup>1</sup> (DKKm)



- Mainly driven by adjusted EBIT, NWC improvements, and lower special item expenses
- Corporate tax payment affected Q4 negatively

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



- Financial position continued to improve in Q4 despite cash outflow for the acquisitions of Saga Trans and TB International

<sup>1</sup> Cash flow from operating activities + cash flow from investing activities + special items (addback) – repayment of lease liabilities (reversed) + acquisition of business activities (addback).

# Full-year outlook 2021

DKK million	2020 realised	2021 outlook
Net revenue	5,332.2	5,500 - 6,000
Adjusted EBIT	260.7	300 - 350

Guidance based on the following principal assumptions:

- Stable macroeconomic recovery with no new material adverse events affecting regional and global cargo volumes and trade patterns
- Gradual reopening of countries with no further lockdown restrictions inflicted by COVID-19
- No material changes in trade patterns between the EU and the UK following Brexit
- Currency exchange rates in line with 2020
- Continued ability to attract and retain employees across subsidiaries



# Q&A

