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## NTG Nordic Transport Group Annual Report for 2023

NTG Nordic Transport Group A/S (“NTG”) has today published the 2023 annual report. Selected financial highlights are presented below:

(DKKm)	Full year		Q4	
	2023	2022	2023	2022
Net revenue	8,338	10,224	2,001	2,496
Gross profit	1,866	2,012	463	518
Operating profit before special items (adj. EBIT)	630	758	171	173
Profit for the year	407	535		
Earnings per share (DKK)	17.40	21.77		
Gross margin	22.4%	19.7%	23.1%	20.8%
Operating margin	7.6%	7.4%	8.5%	6.9%
Conversion ratio	33.8%	37.7%	36.9%	33.4%
ROIC before tax	32.0%	46.0%		

“The performance in 2023 was affected by the macroeconomic slowdown causing changing dynamics for both divisions. For 2023, we realised an adjusted EBIT of DKK 630 million which was in line with our guidance provided on 3 August 2023. Our scalable business model reconfirmed our ability to adjust and adapt to the adverse environment, and thanks to our flexible organisation in cooperation with customers and business partners, we managed to adapt to changing market conditions. Despite uncertainties dampening the acquisition activity in 2023, we remain committed to actively pursuing M&A opportunities in 2024 aligned with our strategic priorities”, says Michael Larsen, Group CEO.

### Q4 2023 results

Net revenue totalled DKK 2,001 million in Q4 2023, compared to DKK 2,496 million in Q4 2022, corresponding to a decrease of 19.8%. Total growth was composed of negative 18.9% organic growth, 0.3% acquired growth and FX effects of negative 1.2%. The negative organic growth was mainly driven by declining freight rates and reduced activity compared to the year-earlier period.

Gross profit decreased 10.6% from DKK 518 million in Q4 2022 to DKK 463 million in Q4 2023. Compared to Q4 2022, gross margin increased 2.3 percentage points from 20.8% to 23.1% in Q4 2023, and the development was primarily driven by a decline in freight rates providing a lower element of pass-through revenue in both divisions, leading to an increase of the gross margin by 1.3 percentage points in the Road & Logistics division and 4.9 percentage points in the Air & Ocean division.

Operating profit before special items amounted to DKK 171 million in Q4 2023, compared to DKK 173 million in Q4 2022, corresponding to an operating margin increase from 6.9% in Q4 2022 to 8.5% in Q4 2023. The margin development was driven by an operating margin decrease of 0.2 percentage points in the Road & Logistics division related to lower level of gross profit and a margin increase of 6.4 percentage points in the Air & Ocean division, mainly due to an earn-out provision release of DKK 28 million related to the AGL acquisition.

### Outlook for 2024

For the full year 2024, NTG expects:

- EBIT before special items of DKK 500 - 580 million.

The outlook assumes an expected overall flat market environment with soft macroeconomics and continued muted consumer confidence.

The Road & Logistics division is anticipated to persist in the current market environment for 2024, characterised by low freight rates, soft volumes, and challenging spot markets.

The Air & Ocean division is anticipated to continuously operate in the current market environment, characterised by low freight rates and oversupply of freight capacity, resulting in adverse impacts for both freight rates and yields.

For both divisions, we continue to closely monitor the activity and to adjust capacity and cost base accordingly.

The outlook for 2024 includes the effects of the acquisition of RTC Transport as of February 2024. 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.

#### **Medium-term financial target**

Our medium-term target, introduced in 2022, remains unchanged, and we strive to achieve DKK 1 billion in adjusted EBIT no later than by the end of 2027, based on a combination of organic growth and M&A.

We expect to realise the target through redeployment of free cash flow, and by utilising existing credit facilities of the Group, subject to a ratio of net-interest bearing debt to EBITDA of less than 3.0 and no capital increases.

The medium-term target is based on the key assumptions of no additional material adverse events affecting regional and global cargo volumes and trade patterns. The medium-term target further assumes that NTG continues to develop the business, establish start-ups, and execute the M&A agenda.

#### **Dividend**

No dividend is proposed for 2023.

#### **FY 2023 conference call**

In connection with publication of the full year financial results for 2023, a conference call will be hosted on 1 March 2024 at 10:00 AM CET. The conference call will be held in English and can be followed live via NTG's website; [investor.ntg.com](https://investor.ntg.com).

#### **Additional information**

For additional information, please contact:

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#### **Attachments**

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NTG Annual Report 2023