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NTG acquires furniture logistics specialist LGT Group AB

Today, NTG Nordic Transport Group A/S (“NTG”) has entered into a conditional share purchase agreement regarding the acquisition of 100% of the shares in the Swedish company LGT Group AB (“LGT Group”).

LGT Group is a leading full-service provider of transport logistics and warehousing solutions tailored to the furniture industry. The group serves a wide range of customers including furniture brands, design houses, manufacturers, wholesalers, and retailers as well as international partners.

LGT Group’s activities are conducted from premises in Denmark, Sweden, and Finland, which include approximately 135,000 square metres of cross-docking and warehousing facilities. The facilities represent the backbone of the group’s full-service furniture coverage across the Nordics. A minor part of the group’s operations involves third-party logistics solutions serving several sectors with transport, handling, and warehousing solutions, which include a warehouse capacity of approximately 54,000 square metres in total.

LGT Group generated a reported revenue of SEK 829.0 million and a reported EBIT of SEK 64.8 million (IFRS) in the financial year ending 31 December 2020, and the group has approximately 320 employees. Financial results in the first five months of 2021 have generally increased due to the high activity despite a lower pro forma revenue reflecting the divestment of certain warehousing operations in 2020.

Transaction overview

- NTG acquires 100% of the shares in LGT Group AB.
- The transaction values 100% of the shares in LGT Group AB at SEK 375 million on a cash and debt free basis (excluding effects of IFRS 16).
- NTG will finance the purchase price with available cash and existing credit facilities.
- LGT Group has an estimated IFRS 16 lease liability of approximately SEK 265 million which will not affect the cash settlement.
- The transaction is subject to approval by the relevant competition authorities.
- Closing of the transaction is expected in Q3 2021.
- Following closing, further details regarding the impact of the transaction will be communicated including expected synergies, integration plans as well as an update on the financial outlook for 2021 (if applicable).

A strategic match of complementary skills

For NTG, the acquisition of LGT Group represents the fortification of another industry niche that significantly expands NTG’s existing offering within furniture logistics:

“With its niche focus and customised operational setup, LGT Group has specialist competences in handling non-palleted and lightly wrapped furniture with industry-leading rates of deliveries with an impressively low damage rate”, says Jesper Petersen, CEO of the Road & Logistics division at NTG. “I am proud to welcome the LGT Group to NTG and look forward to taking part in further developing and scaling the business. Together, we will be able to enhance LGT Group’s one-stop-shop offering by adding NTG’s portfolio of cross-European road and logistics and global air and ocean solutions”.

After closing of the transaction, each subsidiary of LGT Group will continue as a stand-alone subsidiary of NTG in accordance with NTG’s decentralised corporate structure, and the existing management in each subsidiary will continue in their current roles. Upon closing of the transaction, key management incentive structures will be aligned with the principles of NTG’s partnership model.

“This is an exciting milestone for LGT Group”, says John Riis, managing director of LGT Logistics in Denmark. “LGT Group fits perfectly into the decentralised structure of NTG. By joining forces with NTG, we will continue to operate on a stand-alone basis but with the support from a multinational freight forwarder. In combination, this enables us to safeguard a consistently high service level to our customers while at the same time expanding and developing our offering to include multiple new geographies and service types. I am confident that NTG and LGT Group represent a perfect match for our employees, customers, partners, and suppliers”.

About NTG

NTG is a global freight forwarding company offering customised transport solutions by road, air, and ocean. We have a global reach based on +1,400 dedicated employees situated locally in more than 20 countries who service customers worldwide. For further information, please visit www.ntg.com

About LGT Group

LGT Group is a full-service furniture logistics specialist in the Nordics offering tailor-made concepts for furniture brands, design houses, manufacturers, wholesalers, and retailers as well as international partners. The main activities of LGT Group are conducted in Denmark, Sweden, and Finland, and the group has approximately 320 employees. For further information, please visit: www.lgtlogistics.com

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