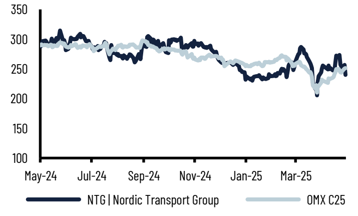
NTG | Nordic Transport Group

Market: OMXC Mid Cap | Ticker: NTG | Share price (DKK): 240 | Market cap (DKK): 5.1bn | Net debt (DKK): 2.1bn | Enterprise value (DKK): 7.3bn

Share information



YTD	-6.4%	1 year:	-18.1%
1 month:	1.1%	3 years:	-28.5%

Note: We apply the closing price from 13 May 2025
Index rebased to 14 May 2024. Source: S&P Capital IQ

Financials

DKKm	2023	2024	2025E*
Revenue	8,338	9,352	N/A
Revenue growth	*-18.4%*	*12.2%*	*N/A*
Gross profit	1,866	1,973	N/A
Gross profit margin	*22%*	*21.1%*	*N/A*
Adj EBIT	630	524	560-630
Adj EBIT margin	*7.6%*	*5.6%*	*N/A*
Net income	407	335	N/A
Net income margin	*4.9%*	*3.6%*	*N/A*
Net debt	967	1,592	N/A

Note: *NTG's own 2025 guidance. Guidance downgraded prior to the Q1 2025 results from Adj. EBIT DKK 575-650m previously.

Valuation multiples

	2023	2024	2025E*
P/S (x)	0.8	0.6	0.5
EV/Sales (x)	0.9	0.7	0.6
EV/Adj EBITDA (x)	9.1	8.4	7.8
EV/Adj EBIT (x)	12.3	12.6	11.9
P/E (x)	16.4	16.3	14.3
P/B (x)	6.6	4.1	N/A
P/CF (x)	11.3	11.4	6.5

Note: Multiples for 2023 and 2024 are based on historical numbers from S&P Capital IQ. *Multiples in 2025 are based on consensus analyst estimates from S&P Capital IQ

Company description

NTG | Nordic Transport Group is a Danish-based freight forwarding logistics company that provides customized transport solutions by road, rail, air, and ocean. NTG has a global presence with over 70 subsidiaries and operations in over 25 countries, including the US and China. NTG creates value by optimizing customers' supply chains by acting as a coordinator, planner, and negotiator. NTG operates two segments: Road & Logistics (R&L) and Air & Ocean (A&O), with a 71% / 29% revenue split in 2024.

Investment case

NTG has experienced high cyclicality in recent years as demand surged due to global Covid-19 stimulus. This has been followed by economic weakness, particularly in Europe, since 2022 - a record year. While cyclicality remains, freight volumes are expected to continue growing in line with global trade.

During the recent market weakness, NTG strengthened its balance sheet via its strong cash flow, supporting 7 acquisitions since H2 2024 (primarily R&L), adding combined revenues of DKK 3.2bn and EBIT of DKK >280m, based on pre-acquisition full-year results. NTG maintains its financial ambitions for an Adj. EBIT of DKK 1.0bn by FY2027 (30% CAGR from mid-point 2025 guidance) with continued ability to make strategic acquisitions in a fragmented market.

Despite challenging macro conditions, NTG continues delivering a solid return on invested capital before tax (18.6% Q1 2025) and, with its acquisitions, has positioned itself for greater scalability when markets improve. Increased European defence spending, large fiscal stimulus plans in Germany, and a potential rebuild of Ukraine can be positive tailwinds in an otherwise challenging market. Easing tariff uncertainty may also support improving markets.

NTG currently trades at lower valuation multiples than its peers. While a smaller size may justify some discount, the valuation gap of around 25-40% 2025E is larger than historically seen for NTG.

Key investment reasons

NTG has historically grown revenues and earnings at double-digit annual growth rates while maintaining ROIC before tax of around 20%+ since its IPO in 2019 (21.6% FY2024). Its asset-light business model generates strong ROIC and large operating cash flows.

NTG's acquisition strategy has supported revenue and EPS growth, typically acquiring firms at lower valuations than its own (accretive to EPS). NTG's proven integration approach "ring the bell" facilitates quick integration which may support margin expansion and as synergies from recent acquisitions are realized, while NTG's greater scale may accelerate earnings growth when markets rebound.

Increased EU defence spending focused on local supply chains, can grow R&L demand, while falling EU interest rates and greater stimulus may lift economic activity. Additionally, price increases within R&L can positively impact 2025 results.

Key investment risks

Demand for freight is cyclical, and freight volumes and rates move with the market. A global recession may see rates and volumes fall further. NTG anticipates continued challenges in its R&L division, particularly in Northern Europe, while restructuring within A&L should support stabilization. Recent market challenges may threaten the mid-term targets, which are currently maintained.

Given its smaller size relative to the large industry players, NTG may not be able to leverage economies of scale to secure capacity at favorable rates as effectively as its peers, with current EBIT margins somewhat below peer averages. Alternatively, its size might give NTG more flexibility in adjusting to market conditions.

NTG's discount relative to its peers may be partly explained recent acquisitions in Germany facing a further market deterioration, which also follows poor market timing for the 2022 AGL acquisition.

Source [1]: https://www.grandviewresearch.com/industry-analysis/freight-forwarding-market-report

Peer group

Company	Price (local)	Total return YTD	Market cap (EURm)	EV (EURm)	EV/EBITDA 2025E	EV/EBITDA 2026E	EV/EBIT 2025E	EV/EBIT 2026E	P/E 2025E	P/E 2026E	EBIT margin (%) 3-yr avg	EBIT margin (%) LTM
DSV A/S	DKK 1513.5	-0.5%	47,773	47,422	11.9	9.6	17.6	14.0	26.8	20.9	10.7%	9.5%
Kuehne + Nagel Intl AG	CHF 187.8	-5.5%	23,713	25,683	9.7	9.3	14.9	14.2	19.3	18.7	8.0%	6.5%
Expeditors Intl WA Inc	USD 115.3	4.1%	14,133	13,481	14.8	14.8	15.9	16.1	21.7	21.3	10.3%	9.9%
C.H. Robinson Worldwide Inc.	USD 96.3	-6.2%	10,231	11,662	14.6	13.2	16.7	14.8	20.4	17.6	4.1%	4.4%
Median		**-3.0%**	**18,923**	**19,582**	**13.2**	**11.4**	**16.3**	**14.5**	**21.1**	**19.8**	**9.1%**	**8.0%**
NTG Nordic Transport Group A/S	**DKK 240**	**-6.4%**	**687**	**982**	**7.8**	**7.2**	**11.9**	**10.6**	**14.3**	**12.3**	**6.9%**	**5.3%**
Premium (+) / Discount (-) to DSV					-34%	-26%	-32%	-25%	-47%	-41%		
Premium (+) / Discount (-) to peers					-41%	-37%	-27%	-27%	-32%	-38%		

Note: data from 13/05/2025 ; Consensus estimates from three analysts

Source: S&P Capital IQ

Appendix – Peer group

Estimates and assumptions: Some of the data in the peer group has not been calculated by HC Andersen Capital but is instead consensus analyst estimates from S&P Capital IQ. Some of the companies have no or limited analyst coverage and no guidance, and hence N/A may show for some data points. HC Andersen Capital assumes no responsibility for the correctness of the numbers in the peer group; however, considers S&P Capital IQ a credible source of information.

Peer Group Selection: NTG's peer group consists mainly of large freight forwarders with global activities and a full-service offering covering road, air, ocean, and associated services. Therefore, the peers reflect a similar business model and market structure to NTG and can be considered relevant peers. However, the peers are significantly larger than NTG, which may create structural differences when facing weaker markets, as larger players can typically benefit from greater economies of scale but may have reduced flexibility.

DSV: is a global freight forwarding company based in Denmark, with operations in over 80 countries. DSV offers air, sea, and land transportation services, as well as logistics solutions and supply chain optimization to customers in various industries, including automotive, healthcare, retail, and technology.

Kuehne + Nagel: is a Switzerland-based freight forwarding company that operates in more than 100 countries worldwide. Kuehne + Nagel offers freight services by air, sea, road, and rail, as well as contract logistics and supply chain management services to a diverse customer base.

Expeditors International: is a US-based global logistics company that provides air and ocean freight services, customs brokerage, and other supply chain solutions to customers in industries such as aerospace, automotive, and retail, with a network in over 60 countries.

C.H. Robinson: is a US-based logistics company that specialises in transportation and supply chain services. It offers air, ocean, and ground transportation solutions, as well as customs brokerage and warehousing services, operating in almost 40 countries with road freight as the largest revenue driver.