



SCAN
GLOBAL LOGISTICS

TRANSGROUP
GLOBAL LOGISTICS

SGLT Holding II LP

- Summary of the Q1 interim report 2019

Key market developments

Ocean, Air and Road freight market development

- The global airfreight volumes are currently trending upwards at a 4% annualized rate despite the fuel index continues to rise and is now at plus 36% compared to 12 months ago.
- Drivers are first and foremost coming from eCommerce, restocking of inventories, consumer confidence in global investments and speed to market before new imposed or increased tolls are taking effect, particularly on the China to USA trade-lanes.
- The global sea freight market is expected to increase by 3-4% and the European trucking market is expected to increase at a similar 3-4% rate annually.



Financial highlights

- Revenues amounted to USD 253.6 million in the first quarter, equal to a 16% increase over Q1 2018, mainly driven by Transgroup's domestic traffic including new customers
- The gross margin expanded by 0.2 p.p. compared to Q1 2018 to 15.7% and the overall gross profit grew by 18%
- Continued growth in EBITDA before special items, which grew by 85% YoY from USD 5.7 million in Q1 2018 to USD 10.5 million in Q1 2019
 - Special items are mainly related to acquisition costs and settlement costs related to special projects
- The equity ratio is 29.3% and the consolidated NIBD amounted to USD 242 million, resulting in an NIBD/EBITDA ratio of 5.9x (on a pro forma level excluding IFRS 16); down from 9.3x in Q1 2018
- The implementation of IFRS16 had an USD 3.5m positive effect on EBITDA level in Q1 2019
- SGL E-Commerce A/S, a newly established subsidiary of the Group which offers a global fulfillment solution allowing SGL customers to integrate with top online marketplaces and web shops worldwide through a cloud-based platform, acquired IC Logistics on 8 May 2019.

TransGroup

- Revenue growth of 26% over Q1 2018, driven by domestic traffic and new customer acquisitions
- Gross profits improved by 27% in Q1 2019 versus Q1 2018 and gross margin was in line with Q1 2018, but decreased 1 p.p. on an organic basis due to larger customers with tighter margins and increased transportation costs

Scan Global Logistics

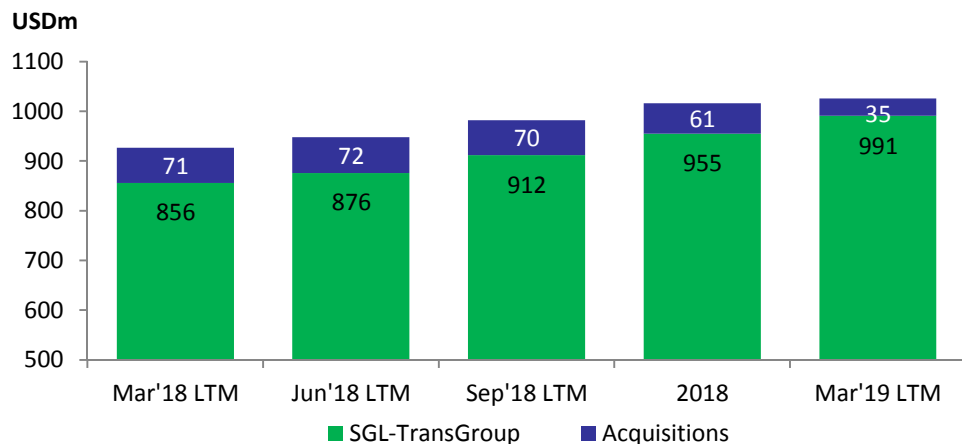
- Q1 2019 revenue of USD 147 million, an increase by 6% compared to Q1 2018, however, negatively impacted by the increasing USD/DKK exchange rate
 - Organic revenue grew by 14% excluding the impact of the change in the USD/DKK exchange rate
- Gross profit increased by 12% relative to last year and the gross margin increased by 1.2 p.p. compared to Q1 2018, primarily driven by Sea and Road activities in the Nordic region
- The restructuring of Solution activities in Denmark has negatively impacted the revenues

Key financials

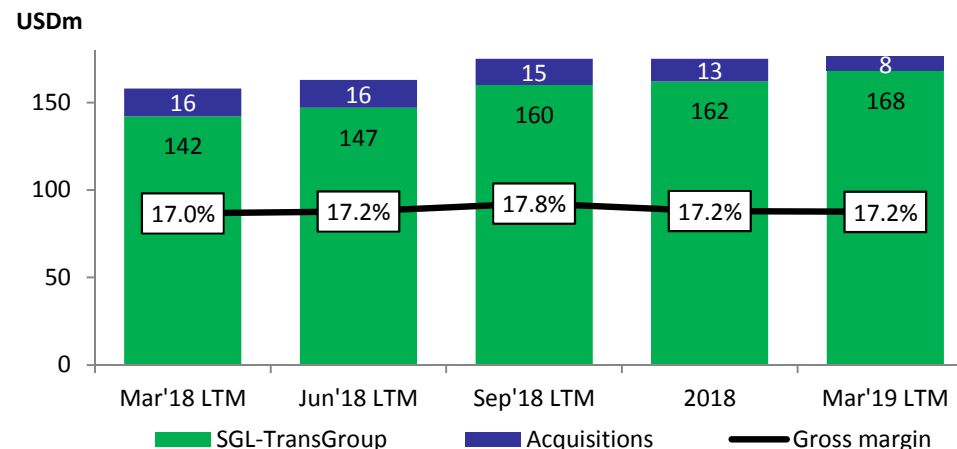
USD '000	Q1 2019	Q1 2018 (Not IFRS16 adjusted)
Revenue	253 645	217 909
Cost of operation	-213 727	-184 032
Gross profit	39 918	33 877
Other external expenses	-5 493	-6 862
Staff costs	-23 940	-21 354
EBITDA before special items	10 485	5 661
Depreciation of tangibles	-3 220	-419
Amortisation of intangibles	-2 392	-2 141
EBIT before special items	4 873	3 101
Special items	-131	-515
EBIT	4 742	2 586
Net financial items	-3 833	-4 112
Result before tax	909	-1 526
Tax on profit	-1 003	-314
Result of the period	-94	-1 840
Gross margin*	15.7 %	15.5 %
EBITDA margin*	4.1 %	2.6 %
USDm	31 Mar. 2019	31 Mar. 2018
Net interest bearing debt	242	206
Net leverage (pro forma excl. IFRS 16)	5.9x	9.3x

Pro forma development (rolling last twelve months)

Combined revenue development (LTM)

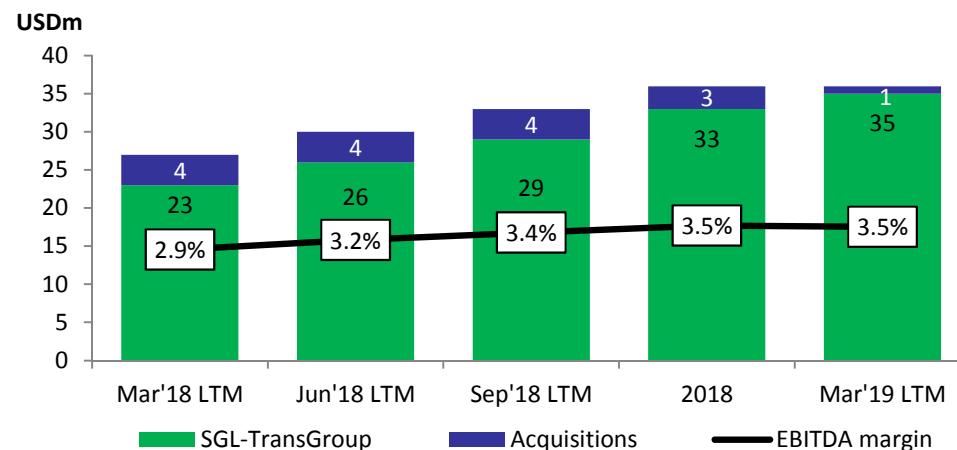


Combined gross profit development (LTM)

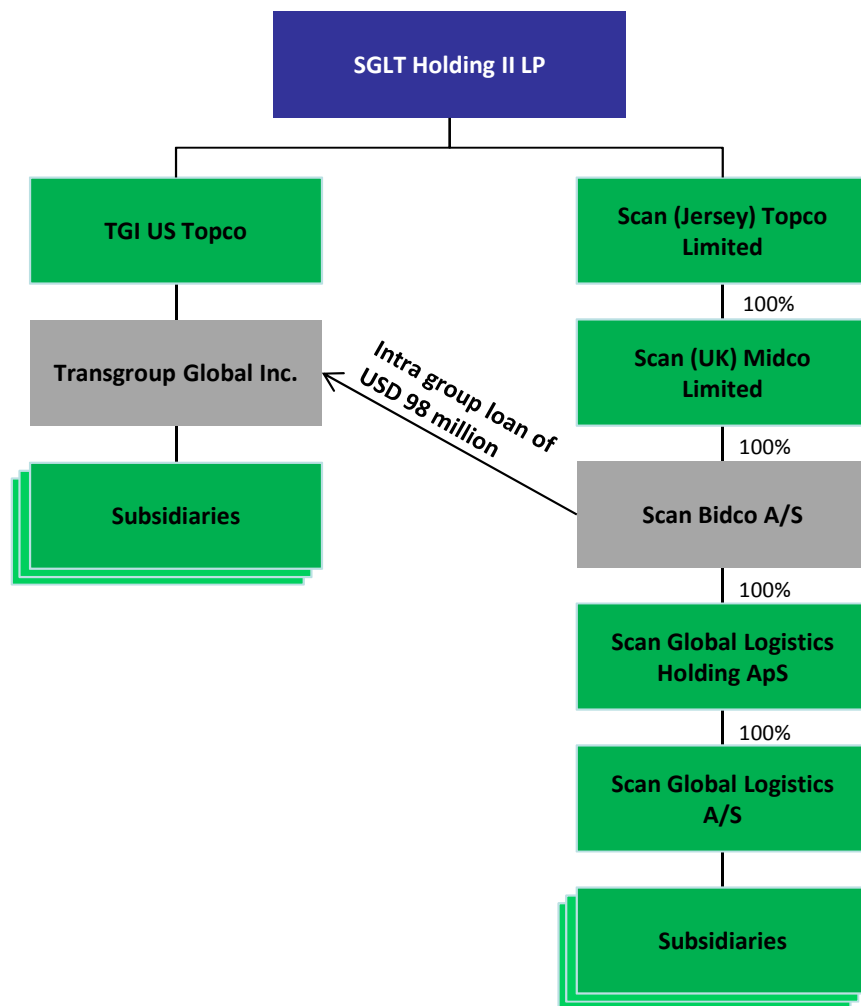


- The graph "Acquisitions" includes activities in CommFirst, acquired in Q2 2018 (now TransGroup Canada Logistics, Inc.), Macca Logistics SA (now Scan Global Logistics SA), Mali, acquired in Q3 2018 and IQS Group and New Bison, LLC acquired in Q1 2019
- The pro forma graphs exclude the impact of IFRS 16
- On a pro forma basis, the combined group has had positive development in revenue and gross profit over the last several quarters
- The company generated revenues of USD 1,026 million LTM Q1 2019, equal to a 11% increase over LTM Q1 2018
- Gross profit amounted to USD 176 million LTM Q1 2019 and the YoY increase is 11.4%
- Adjusted pro forma EBITDA amounted to USD 36 million in LTM Q1 2019, equal to a margin of 3.5%, equal to the EBITDA margin in 2018

Combined EBITDA development (LTM)



Group structure – SGLT Holding II LP



Scan Bidco A/S is the Issuer of the outstanding bonds:

- ISIN: NO 0010768062
- ISIN: NO 0010768070