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SGLT Holding II LP

Summary of the interim report for Q3 2019

Disclaimer and cautionary statement

This document contains forward-looking statements concerning SGLT Holding II LP's financial condition, results of operations and business. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in these statements.

Forward-looking statements include, among other things, statements concerning SGLT Holding II LP's potential exposure to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. A number of factors that affect SGLT Holding II LP's future operations and could cause SGLT Holding II LP's results to differ materially from those expressed in the forward-looking statements included in this document, include (without limitation): (a) changes in demand for SGLT Holding II LP's services; (b) currency and interest rate fluctuations; (c) loss of market share and industry competition; (d) legislative, fiscal, and regulatory developments, including changes in tax or accounting policies; (e) economic and financial market conditions in various countries and regions; (f) customer credit risks; (g) revenue-recognition factors.

All forward-looking statements contained in this document are expressly qualified by the cautionary statements contained or referenced to in this statement. Undue reliance should not be placed on forward-looking statements. Additional factors that may affect future results are contained in SGLT Holding II LP's annual report for the year ended 31 December 2018 (available at on <https://www.scangl.com/investor/investor-holding/>) and these factors also should be considered. Each forward-looking statement speaks only as of the date of this document. SGLT Holding II LP does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information or future events other than as required by Swedish law. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this document.

Key market developments

Key market drivers

Macroeconomic activity

- Global trade has historically grown at a multiple of GDP
- Global GDP growth is projected to expand by 2.6% in 2019, which is expected to result in continued trade growth

Risks

- Trade tensions between USA and China
- UK Brexit

Change of trade flows

- Rising manufacturing costs in China shift production of consumer goods to markets like Myanmar, Cambodia, Laos, Vietnam, Bangladesh and Ethiopia
- Growth of China's economy and consumer market balances trade flows in and out of China
- Reorientation of trade flows drives need for logistics industry to expand global footprint

Propensity to use Freight forwarders

- Shippers' propensity to use freight forwarders for their logistics needs continues to rise
- Key drivers are focus on core business, cost optimisation, product risks and delivery time focus

Forecast development of the global freight forwarding market



Financial highlights

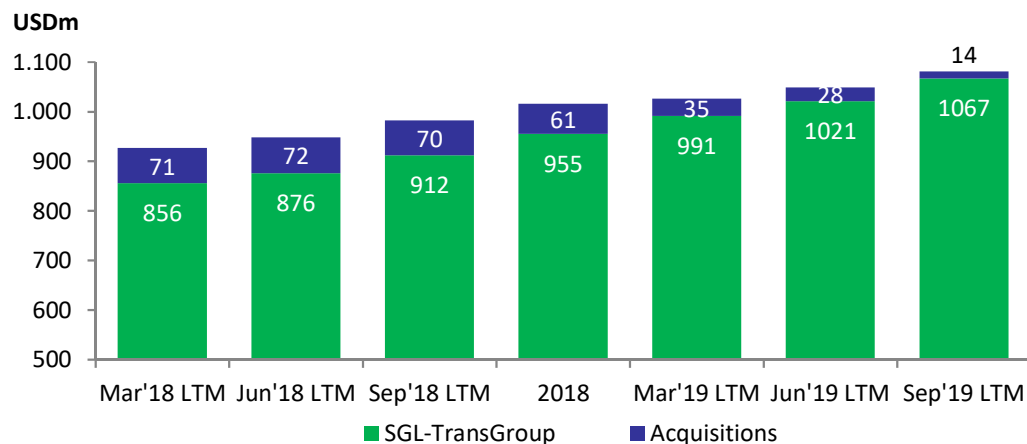
- Revenues amounted to USD 291.5 million in Q3 2019, representing a 18.5% increase over Q3 2018
 - The acquisitions of IQS, BK Spedition and IC Group, all completed since Q3 2018, contributed USD 17m in revenue in Q3 2019
 - Air, Sea and Road segments from SGL Group were all strong drivers of organic growth; however, these were partly offset by lower revenue in the Solution segment due to restructuring activities
 - TransGroup experienced a 13 percent revenue growth in Q3 2019 versus Q3 2018, driven by increased sales in domestic traffic including new customer wins as well as the businesses in Philadelphia acquired Q1 2019
 - In Q3 2019, organic revenue growth in SGL Group and TransGroup was 18% and 13%, respectively
- Compared to Q3 2018, gross margins expanded by 0.6 percentage points to 16.0% and overall gross profit grew by 23%
 - The gross margin increase is derived from activities within TransGroup compared to the third quarter of 2018 as SGL Group is delivering the same gross margin as third quarter of 2018, though impacted negatively by FX exchange rate translation.
 - Continued improvement in EBITDA before special items, which grew by 65% from USD 9.5m in Q3 2018 to USD 15.6m in Q3 2019
 - Special items are mainly related to acquisition and restructuring costs
- Adjusted EBITDA excluding the impact of IFRS 16 Leases amounted to USD 13m and represents the underlying financial business performance of the Group in Q3 2019, as results are adjusted for extraordinary items which are not in line with the ordinary course of business and other non-recurring items
- As of 30 September 2019, the equity ratio stood at 27.6% and the consolidated NIBD amounted to USD 219m, resulting in an NIBD/EBITDA ratio of 5.3x (on a pro forma level excluding IFRS 16); down from 5.9x in Q3 2018

Key financials

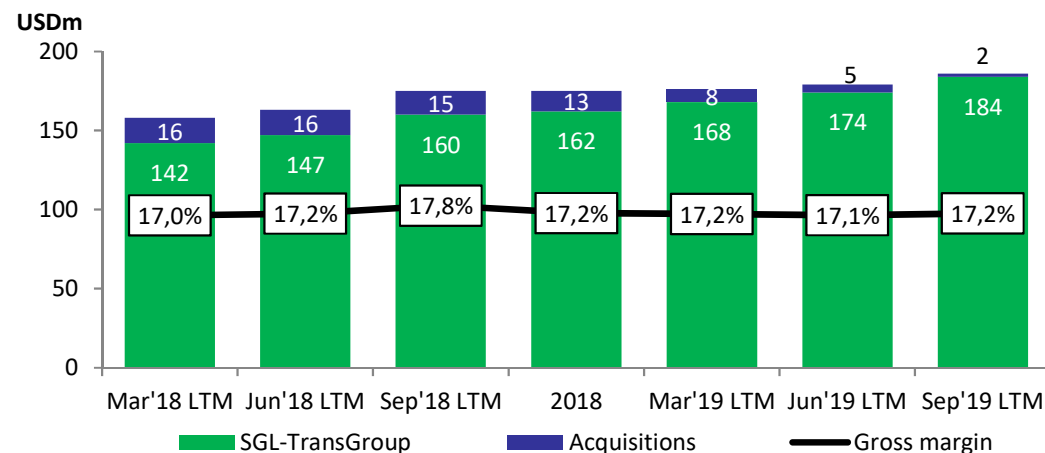
USD '000	Q3 2019	Q3 2018 (Not IFRS 16 adjusted)
Revenue	291,545	246,132
Cost of operation	-244,755	-208,191
Gross profit	46,790	37,941
Other external expenses	-5,663	-6,741
Staff costs	-25,533	-21,724
EBITDA before special items	15,594	9,476
Depreciation of tangibles	-4,344	-511
Amortisation of intangibles	-2,331	-2,500
EBIT before special items	8,919	6,465
Special items	-1,228	-1,592
EBIT	7,692	4,873
Net financial items	-5,154	-4,994
Result before tax	2,538	-121
Tax on profit	-1,033	-469
Result of the period	1,504	-590
Gross margin*	16.0 %	15.4 %
EBITDA margin*	5.3 %	3.8 %
USDm		
Net interest bearing debt (excl. IFRS 16)	218,829	199,552
Net leverage (pro forma excl. IFRS 16)	5.3x	5.9x

Pro forma development (rolling last twelve months)

Combined revenue development (pro forma LTM)

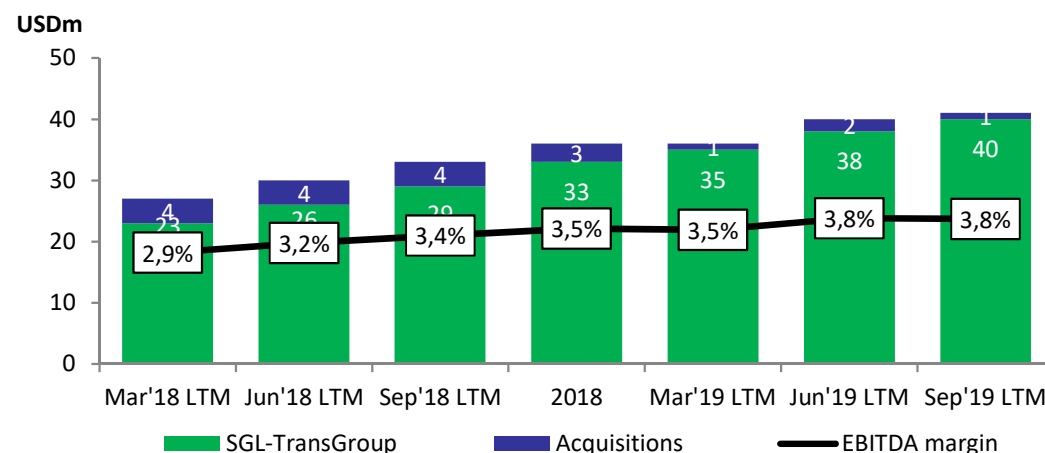


Combined gross profit development (pro forma LTM)



- 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 acquired in Q1 2019 as well as IC Group A/S and BK-International Speditions GmbH, both of which were acquired in Q2 2019
- The pro forma graphs exclude the positive impact from the adoption of IFRS 16
- On a pro forma basis, the combined group has experienced a positive development in revenue and gross profit over the last quarters
- The company generated revenues of USD 1,081m in the LTM Q3 2019
- Gross profit amounted to USD 186m in LTM Q3 2019,
- Adjusted EBITDA (pro forma) amounted to USD 41m in LTM Q3 2019, equal to a margin of 3.8%

Combined Adjusted EBITDA development (pro forma LTM)



Outlook for FY2019

Outlook

Revenue (mUSD)

1,000 – 1,200

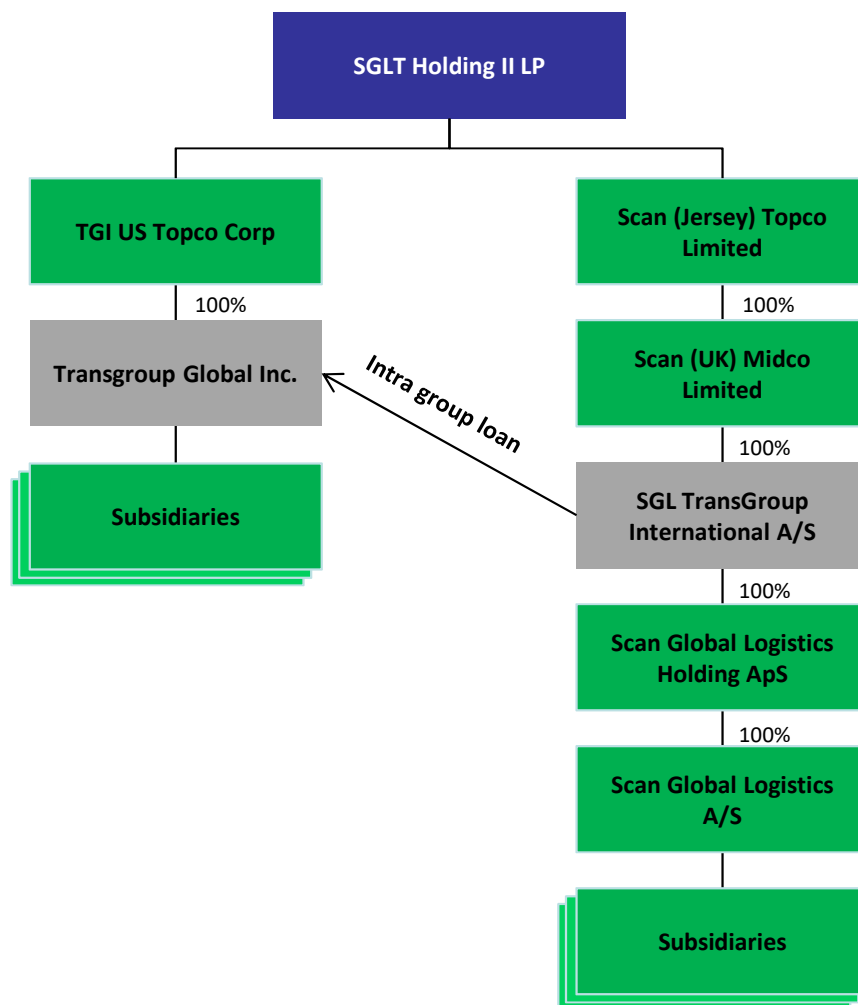
Adjusted EBITDA (mUSD)*

41 - 44

*Before non-recurring, non-operational and special items, excluding the impact of IFRS 16 leases

The 2019 outlook is based on foreign exchange rates 30 September 2019

Group structure – SGLT Holding II LP



SGL TransGroup International A/S is the Issuer of the outstanding bond:

- ISIN: SE0013101219 (Issue date: November 4 2019)