



**SCAN**  
GLOBAL LOGISTICS

**TRANSGROUP**  
GLOBAL LOGISTICS

---

## **AEA SGLT Holding II LP**

**- Summary of the Q1 interim report 2018**

# Key market developments

## Ocean, Air and Road freight market development

- 2017 was a strong year for the global air freight market with around 12% growth
- The air freight market is estimated to continue to grow in 2018 by around 5-7% based on a combination of several research companies
- Global Sea freight Market is expected to increase by 3-5% in 2018 while the European trucking market is estimated to increase with 3-4% on the back of strong economies in key EU countries
- Generally, rates are expected to stabilize from the relative surges in 2017 in particular on the airfreight segment



# Financial highlights

- AEA SGLT Holding II LP generated revenues of USD 217.9 million in the first quarter, which was 21% higher than in Q1 2017; partly impacted by the acquisitions on Airlog and Crosseurope
- Q1 gross profit was USD 33.9 million, equal to a gross margin of 15.5% and at the same level as in Q1 2017. FX negatively impact gross profit, estimated at a minimum of USD 0.7 million
  - Compared to Q4 2017, gross margin improved by 1.4 p.p.
- EBITDA before special items was USD 5.7 million, which is in line with EBITDA in Q1 2017 and on the same level as in Q4 2017
- SGA amounted to USD 28.2 million and the increase is related to the acquisitions of Airlog and Crosseurope as well as the growth initiatives in Transgroup
- As per end of March, the equity ratio was 30.4% and the consolidated net interest bearing debt amounted to USD 206 million resulting in a NIBD/EBITDA of 9.3x (on a pro forma level)
- Investments in Q1'18 amounted to USD 0.7 million; mainly software and IT equipment

## TransGroup

- Revenues grew by 8% compared to Q1 2017, driven by increased sales in domestic (+13%) as well as international traffic (+8%)
- TransGroup experienced margin pressure in its international and domestic markets in average of -1.4 p.p. Moreover, several growth initiatives including new stations and business development drove higher SG&A costs compared to Q1 2017, however lower than Q4 2017

## Scan Global Logistics

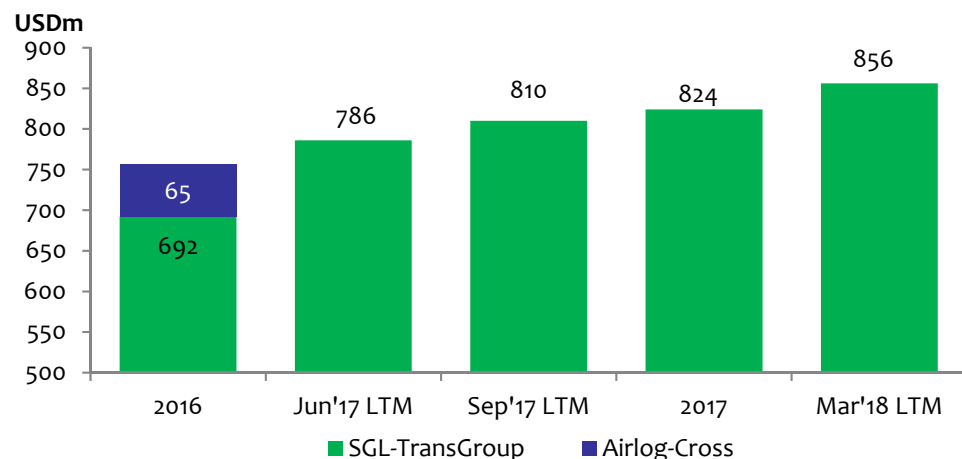
- Revenues by 32% YoY equal to a ~5% organic growth mainly driven by increased activity in the industrial project / ADP division
- Gross margin improved 0.7%-points relative to last year, driven by the Nordics and APAC regions – when calculated at constant FX rates, gross margin increased approx. 1.1%-points
- SG&A costs in Q1 2018 are impacted by the acquisitions of Airlog and Crosseurope but on a like-for-like basis SG&A costs are showing a lower run rate than in 2017

## Key financials

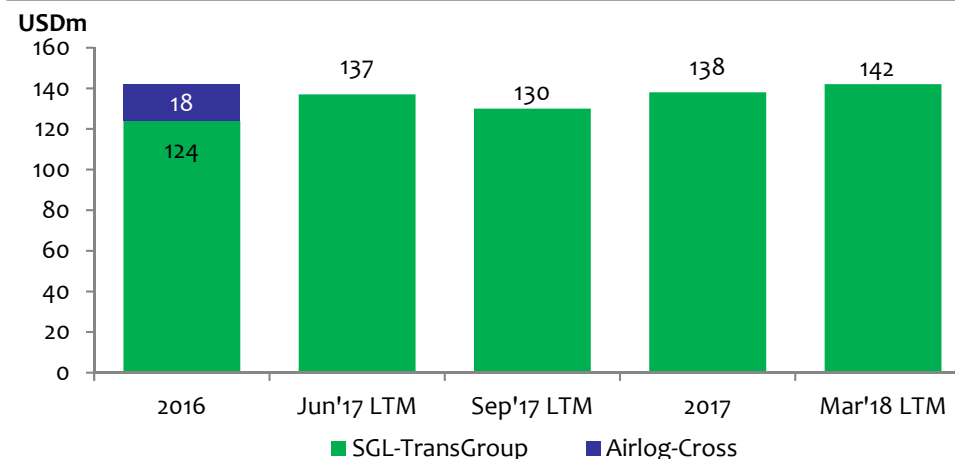
USD '000	Q1 2018	Q1 2017	LTM Mar. 2018
Revenue	217,909	179,927	852,178
Cost of operation	-184,032	-151,989	-726,505
<b>Gross profit</b>	<b>33,877</b>	<b>27,938</b>	<b>125,673</b>
Other external expenses	-6,862	-5,646	-23,162
Staff costs	-21,354	-16,560	-82,243
<b>EBITDA before special items</b>	<b>5,661</b>	<b>5,732</b>	<b>20,268</b>
Depreciation of tangibles	-419	-303	-1,533
Amortisation of intangibles	-2,141	-2,547	-8,836
<b>EBIT before special items</b>	<b>3,101</b>	<b>2,882</b>	<b>9,899</b>
Special items	-515	0	-3,869
<b>EBIT</b>	<b>2,586</b>	<b>2,882</b>	<b>6,030</b>
Net financial items	-4,112	-3,900	-15,296
<b>Result before tax</b>	<b>-1,526</b>	<b>-1,018</b>	<b>-9,266</b>
Tax on profit	-314	-223	2,429
<b>Result of the period</b>	<b>-1,840</b>	<b>-1,241</b>	<b>-6,837</b>
Gross margin*	15.5 %	15.5 %	14.7 %
EBITDA margin*	2.6 %	3.2 %	2.4 %
<b>USDm</b>	<b>31 Mar. 2018</b>	<b>31 Mar. 2017</b>	
Net interest bearing debt	206	182	
Net leverage (pro forma)	9.3x	5.8x	

# Pro forma development

## Combined revenue development

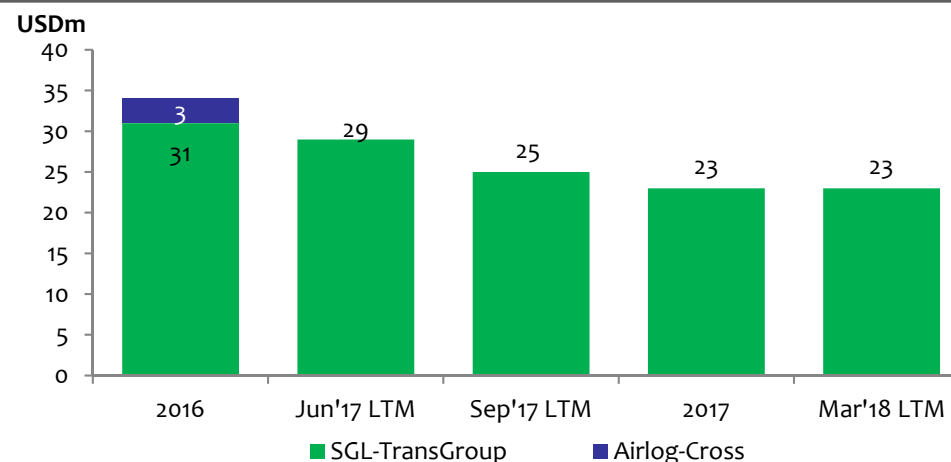


## Combined gross profit development

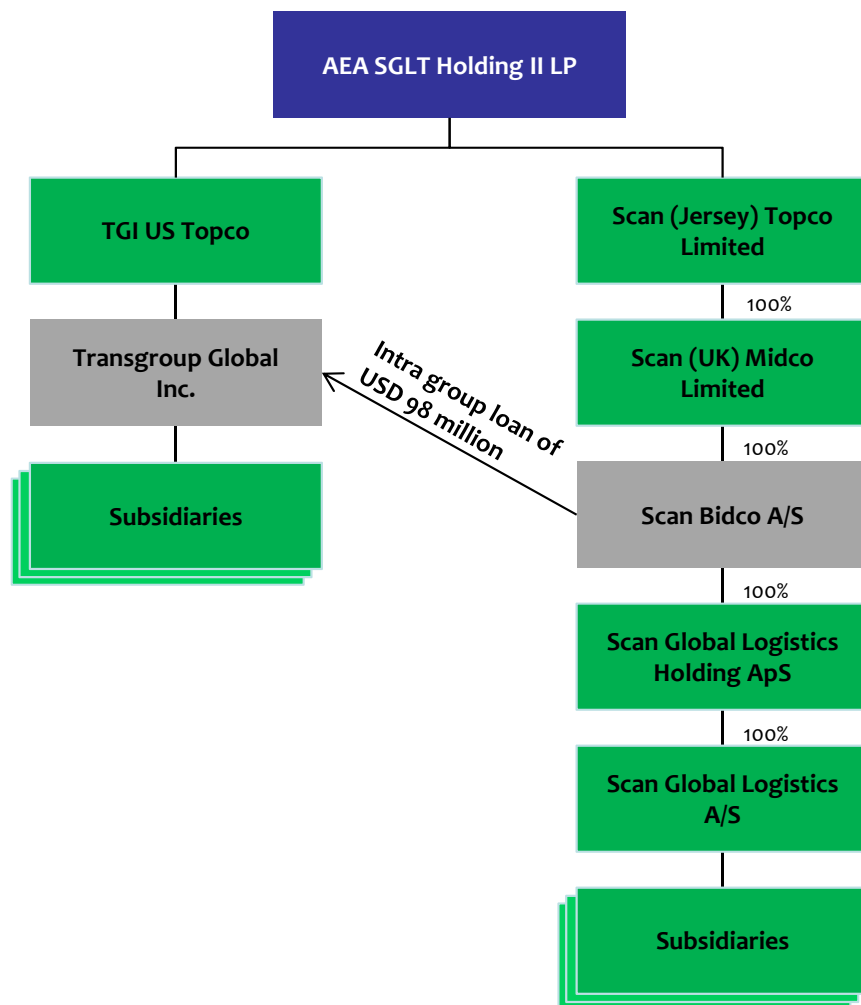


- On a pro forma level, the company generated revenues of USD 856m in LTM March equal to a 3.9% increase over 2017
- Gross profit improved from USD 138 million in 2017 to USD 142 million for LTM Mar'18, equal to an increase of nearly 3%
  - SGL experienced gross margin pressure throughout 2017 where especially Q4 was a transition period with renewals of contracts with larger customers but in Q1'18 SGL's gross margin improved 0.7%-points compared to Q1'18
  - Furthermore the weakening of the USD/DKK exchange rate had a negative impact in both 2017 and LTM Mar'18
- LTM Mar'18 EBITDA came in at USD 23 million equal to 2017 level which puts an end to the negative trend shown during 2017; mainly due to increased revenues
- Adjusted EBITDA amounted to USD 23 million in LTM Mar'18, equal to a margin of 2.7%

## Combined EBITDA development



# Group structure – AEA SGLT Holding II LP



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

- ISIN: NO 0010768062
- ISIN: NO 0010768070