

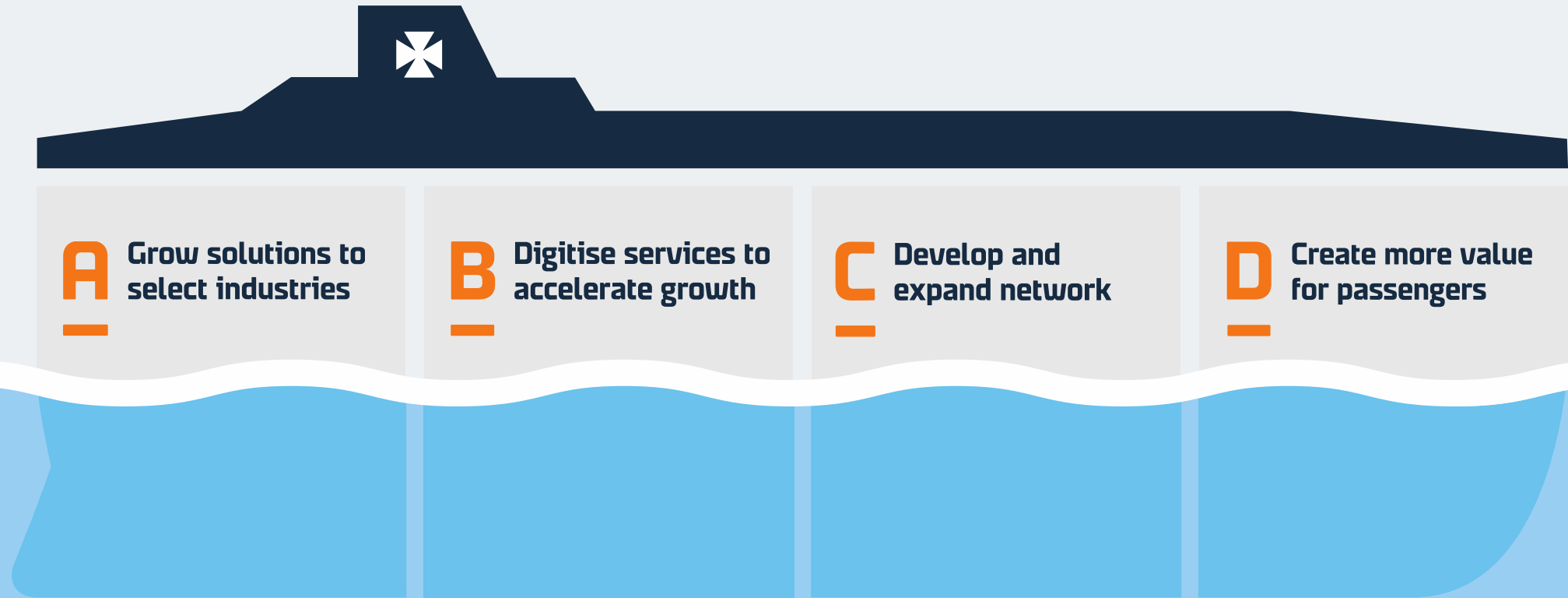
# Acquisition of HSF Logistics Group

Investor and analyst call

26 January 2021



# WIN23 strategy - 4 strategic pillars to drive growth

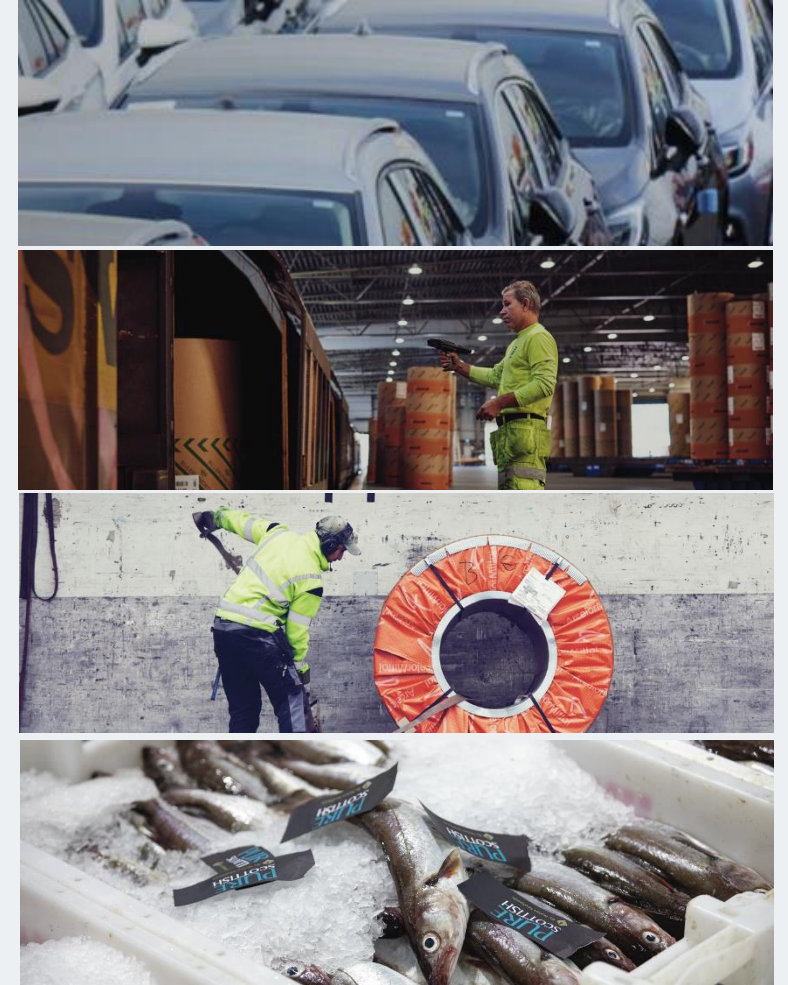


# Grow solutions to select industries

DOUBLE THE BUSINESS

A

- Automotive
- Forest & Metals
- Cold Chain



# Creating Northern Europe's leading cold chain logistics provider

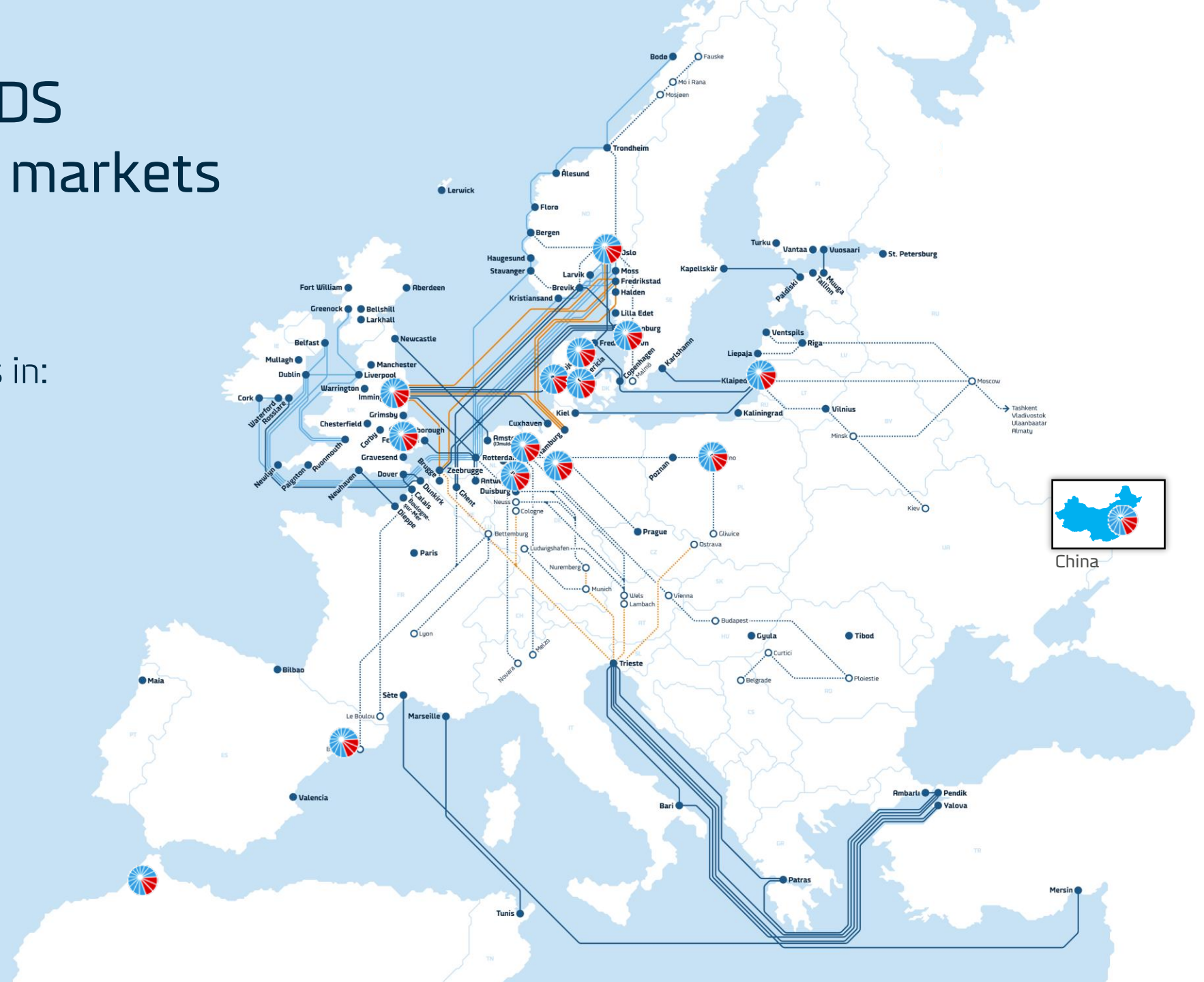
- **Agreement** to acquire HSF Logistics Group with four main brands
- **HSF Logistics Group** – revenue of DKK 2.8bn and EBITDA of DKK 320m, 1,800 employees
- **Enterprise value** DKK 2.2bn
- **Attractive transaction structure** leaves DFDS' financial leverage unchanged





# HSF expands DFDS footprint in core markets

- HSF Logistics Group adds **market leading** positions in:
  - Netherlands
  - Germany
  - Denmark
- Brings expertise in **meat logistics**



# Overview of HSF Logistics Group

- HSF Logistics **founded in 1923** in Nijmegen, Netherlands
- **HSF Logistics and N&K Spedition** merged 2017. Owner of **Skive Køletransport** since 2015
- **Cold chain logistics** provider to meat producers and other food producers that operate temperature-controlled supply chains
- **2,500 customers** ranging from global meat/food producers to smaller local producers
- **Business structure** with three specialised and focused business areas

## HSF Logistics Group

EUR m	2017	2018	2019
Revenue	373	387	395
EBITDA	39	43	43
Margin	10.5%	11.1%	10.9%

# Continent-UK integrated packaging and transport logistics

- **Collection, storage and transport** of pork and poultry from mainly Benelux to UK
- Storage and cross docking facility in Nijmegen, 85k m<sup>2</sup>
- **Extensive packaging services** to customers based on Dolav system
- Supplementary trucking provided by Polish operation
- 20% of Group revenue. Around 215 trucks in operation



# Netherlands-Germany integrated packaging and transport logistics

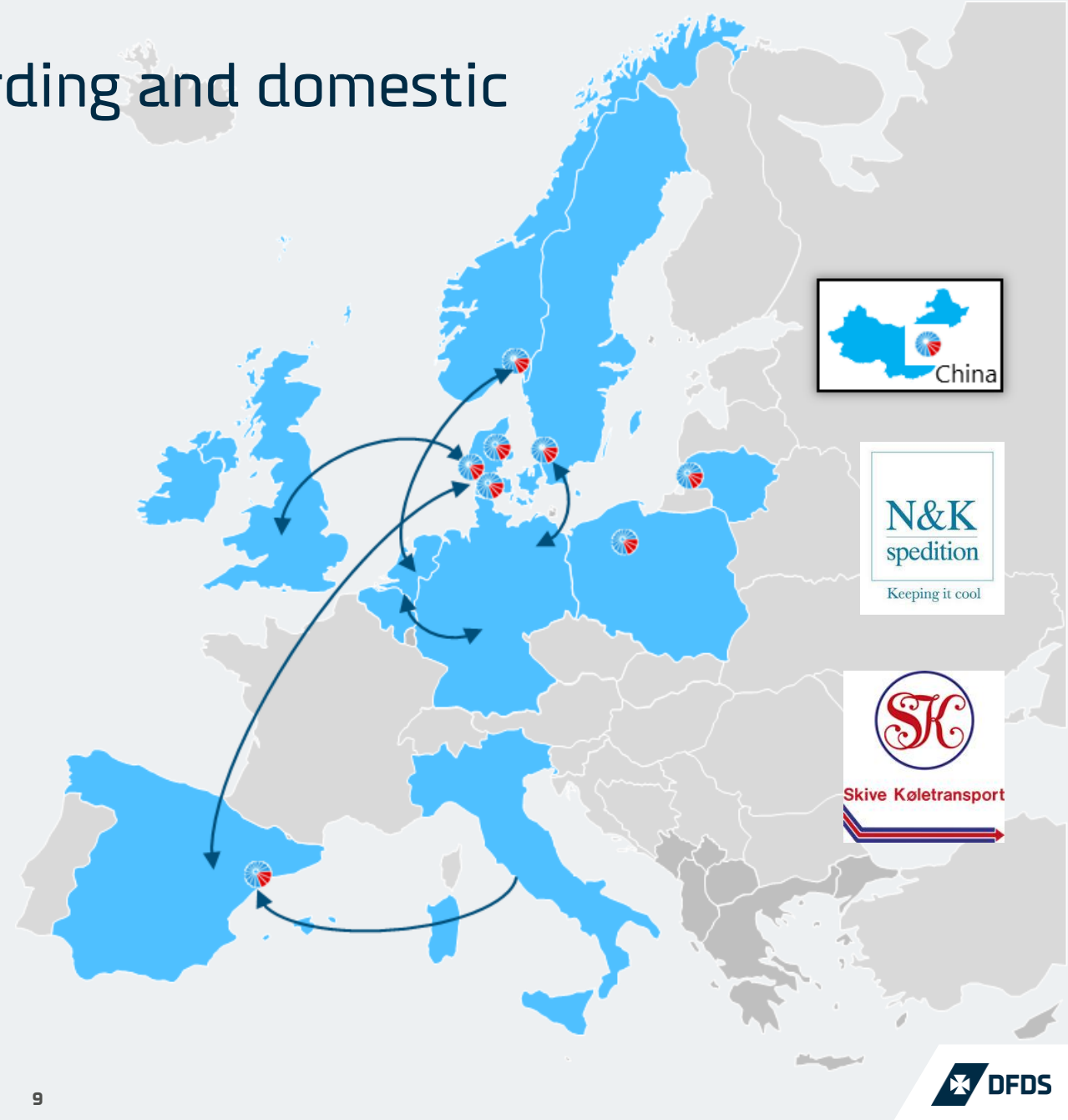
- **Collection, storage and transport** of beef and veal from mainly Netherlands to Germany (EuroFresh facility). Domestic logistics in Germany
- **Back loads** from Germany include fruit, vegetables, dairy, fries
- Storage and cross docking facility in Winterswijk 115k m<sup>2</sup> and Neuenkirchen-Vorden 29k m<sup>2</sup>
- Extensive **hanging meat logistics**
- 18% of Group revenue. Around 300 trucks in operation





# Scandinavia – international forwarding and domestic cold chain logistics

- Focus on **meat and fish export** from Scandinavia to UK, Spain and Italy
- **Back loads** from southern Europe include fruit and vegetables
- Domestic temperature controlled logistics in **Denmark** – focus on dairy, frozen products and meat
- 50% of Group revenue. Around 1,100 trailers and 125 trucks in operation



# Packaging and value added services integrated in business model

- Packaging **rental, repair, cleaning** of reusable packaging (plastic box pallets, crates, and pallets)
- Strong offering of **Dolav packaging system**
- Packaging offer and value added services increases **integration into customer supply chains**

Sticker-free cleaning



Hanging meat



Wrapping



Shock freezing & defrosting



Order picking



Labelling



# HSF & DFDS creates leading cold chain provider

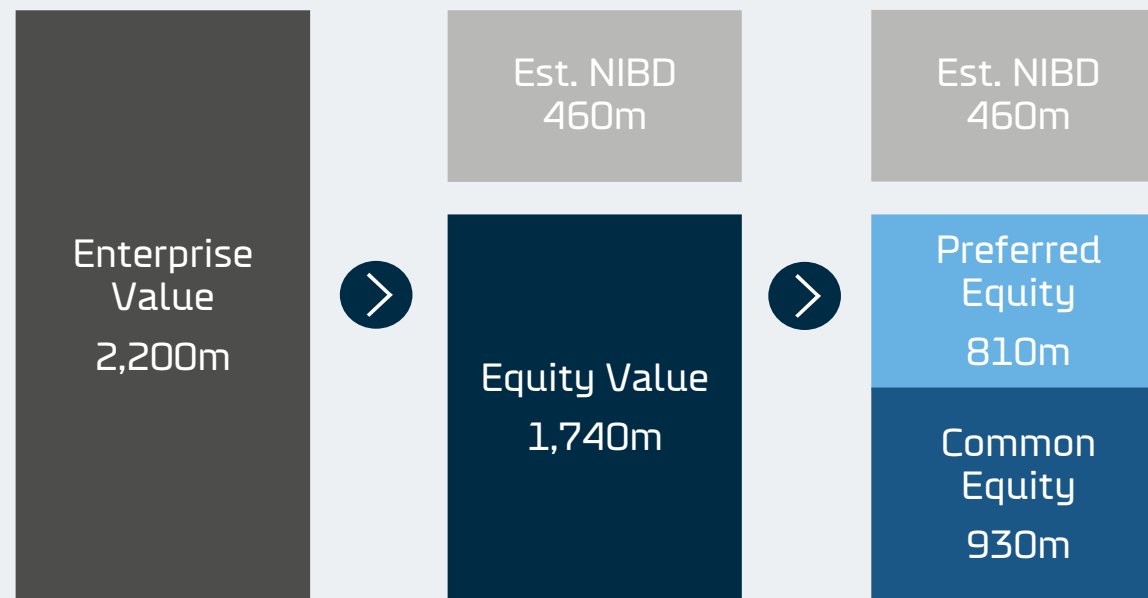
- **DFDS** cold chain:
  - 500 trucks operated
  - 1,400 reefer trailers and containers
  - 20 locations
  - 650 employees
- **HSF** cold chain:
  - 700 trucks operated
  - 1,700 reefer trailers
  - 22 locations
  - 1,800 employees
- Logistics Division revenue grows to approx. **DKK 8bn**, of which approx. DKK 4bn from cold chain



# Attractive transaction structure...

- Acquisition of 100% of HSF Logistics Group for a **debt-free price** of DKK 2.2bn (EUR 296m)
- **EV/EBITDA** multiple of ~7x
- Acquisition made by Newco with **DFDS owning 100% of ordinary shares**
- DKK 930m to be **paid on closing** from existing cash
- **Non-voting preference shares** to be owned by sellers with planned redemption of DKK 810m over 3 years
- Estimated **net interest-bearing debt of DKK 460m** assumed as part of transaction

DKK m

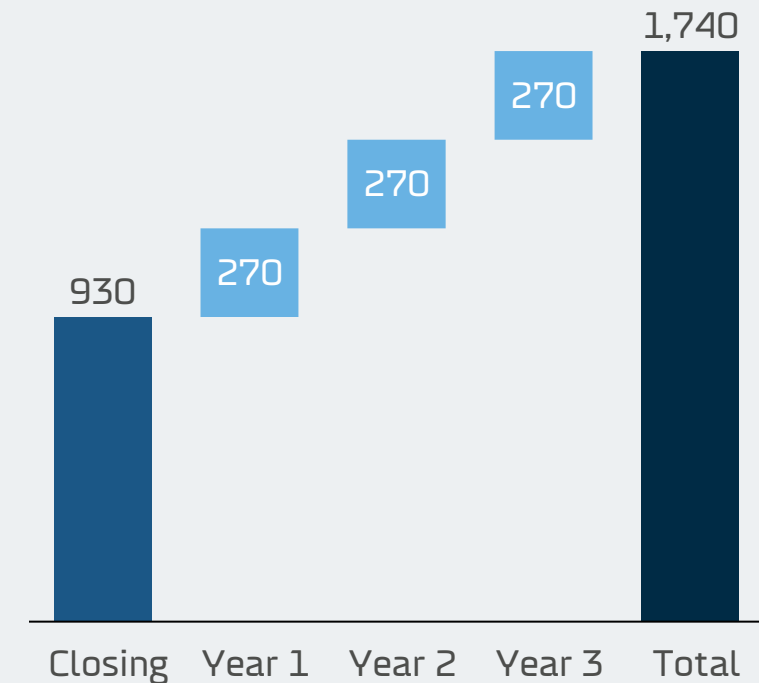




## ...leaves financial leverage unchanged

- DFDS' financial leverage, NIBD/EBITDA, expected to be **unchanged by transaction**
- **100% control** of HSF Logistics Group - full consolidation in DFDS Group from closing
- **Closing** expected in around **three months** subject to regulatory approval and completion of required employee consultation processes

Planned seller pay-outs  
DKKm



# Moving Win23 forward

- **Delivery** of cold chain growth strategy – Pillar A
- Creation of **leading provider** in an attractive niche market
- Overlap with **ferry** transport infrastructure
- Cost and commercial **synergies** to be communicated at closing





# Q&A

