Working through headwinds

Q3 2024 investor call, 7 November 2024

DFDS

Q3 2024 investor call agenda

- Strategy update
- Q3 overview
- Moving to Green
- Capital distribution
- Outlook & priorities

Moving Together Towards 2030

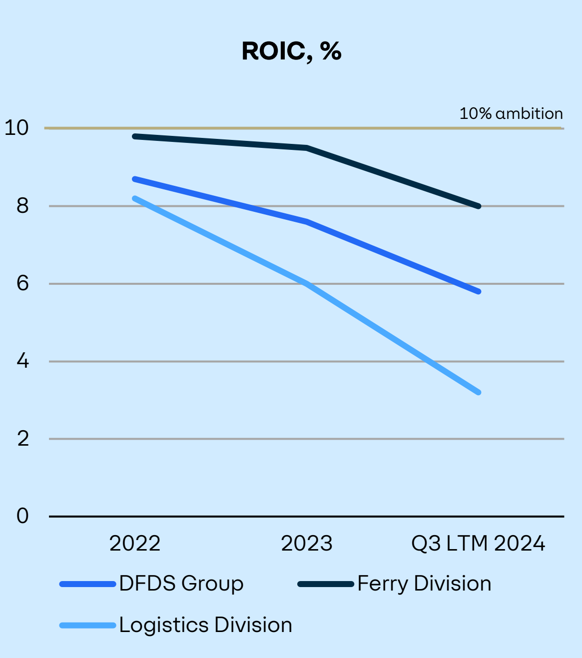
Unlock network value, 2024-2026
- Protect & Grow Profits
- Standardise to simplify
- Digitise to transform
- Moving to green
- Be a great place to work

Green transition, 2024-2030
- 45% reduction in ferry emission intensity
- Six green ferries in operation by the end of 2030
- 75% reduction of land emission intensity

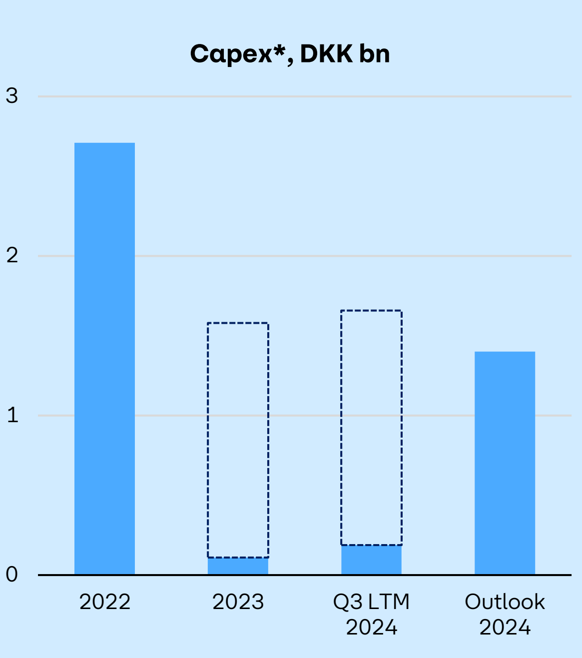
Financial ambitions, 2024-2026/27
- Annual Adjusted free cash flow of DKK 1.5bn
- Capex of DKK 1.5-2.0bn annually
- ROIC of around 10% by 2027
- NIBD/EBITDA of 2.5x by 2026

Financial ambitions 2024-2026/27

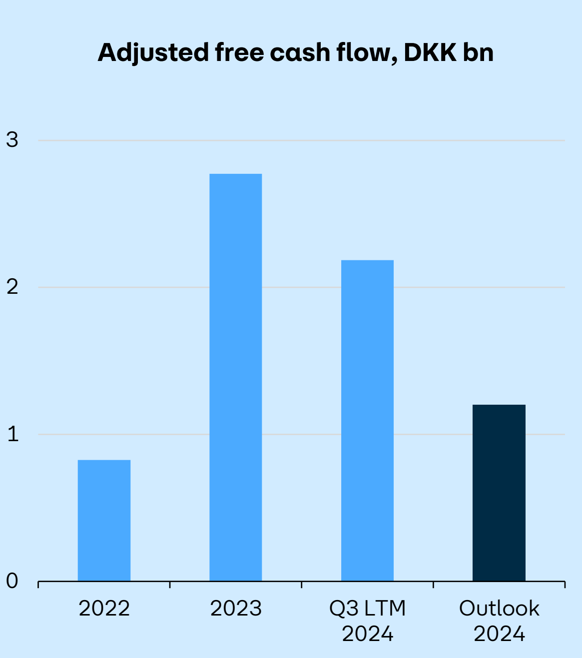
- Group Q3 LTM ROIC at 6%
- Ferry at 8% - North Sea above ambition, Channel at 8%, Baltic impacted by war in Ukraine
- Logistics at 3% - underperformance & market headwinds



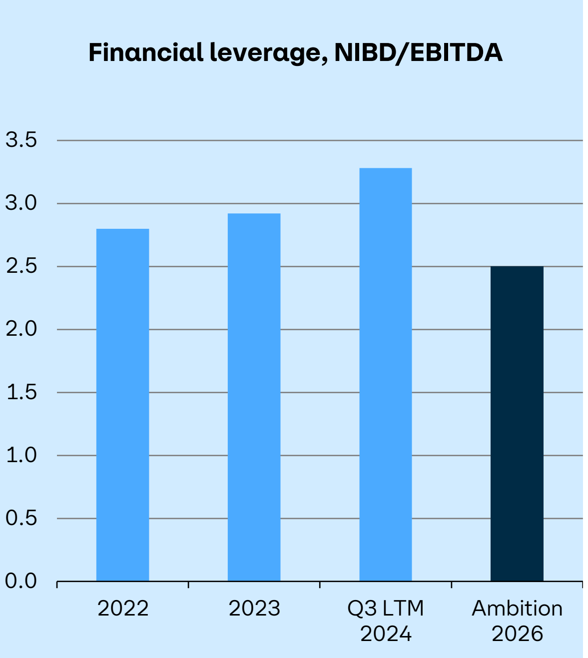
- Q3 capex as expected
- Capex 2024 outlook reduced to DKK 1.4bn from DKK 1.5bn



- Q3 adjusted free cash flow of DKK 0.4bn
- Adjusted free cash flow 2024 outlook of DKK 1.2bn lowered from DKK 1.5bn



- Q3 2024 NIBD/EBITDA of 3.3x



*2023 & Q3 LTM 2024 include DKK 1.5bn inflow from sale & leaseback of three freight ferries

Working through market & operational headwinds

Q3 was a challenging quarter as expected

4% organic revenue growth achieved

Customer focus and network strength

Financial performance lowered by intensified price and margin pressures

Good high-season for Gibraltar routes

Q4 market outlook – from rebound to slowdown

European demand slow-down more widespread in Q3, uncertainties persist

Automotive sector forecasts lower sales

Baltics/easternEurope slowdown

Intensified competition in full-load (FTL) market

Earnings outlook revised

Q3 result below expectations

Q4 market outlook revised

EBIT outlook range lowered to DKK 1.5-1.7bn

Cash flow outlook reduced to DKK 1.2bn (DKK 1.5bn)

Strategy – unlock value of expanded network

Organic growth focus

Channel overcapacity reduced

Competitor entry Istanbul-Trieste

Sale of Oslo route completed

Ekol share purchase agreement terminated

Balanced growth outlook for our transport network

	North Sea	Mediterranean	Channel	Baltic Sea	Strait of Gibraltar	Logistics '70%' at 4% EBIT-margin	Logistics '30%' challenged
Market growth, freight	Low/flat	Increasing	Low/flat	Low/flat	Increasing	Increasing	Low/flat
Market growth, passengers	n.a.	n.a.	Increasing	Decreasing	Increasing	n.a.	n.a.
Competition	Stable	Rising	Stable	High	Stable	Stable	High
Comments		Ca. 25% ferry capacity added Istanbul-Trieste	Dover-Calais: capacity reduced to 8 ferries from peak of 11 in 2022	Ongoing capacity balancing in wake of war in Ukraine		Resilient UK/Ireland network Restructurings 2023 Special cargo uplift	• FTL-market • Automotive • Brexit phase 3 • Nordic Cold Chain

Increasing | Low/flat | Decreasing

Network strength & customer centric

- **Unique combination** of ferry, road & rail in corridors/regions and **logistics** solutions

- **Strong people, operational** skills & resilience

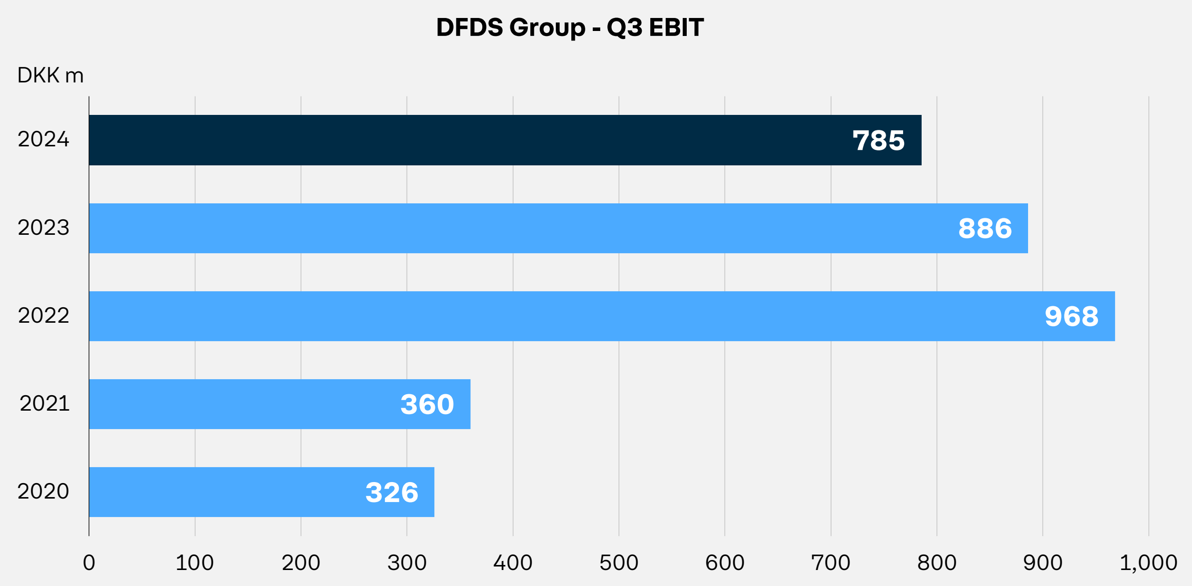
- **Customer** centric – also in challenging periods

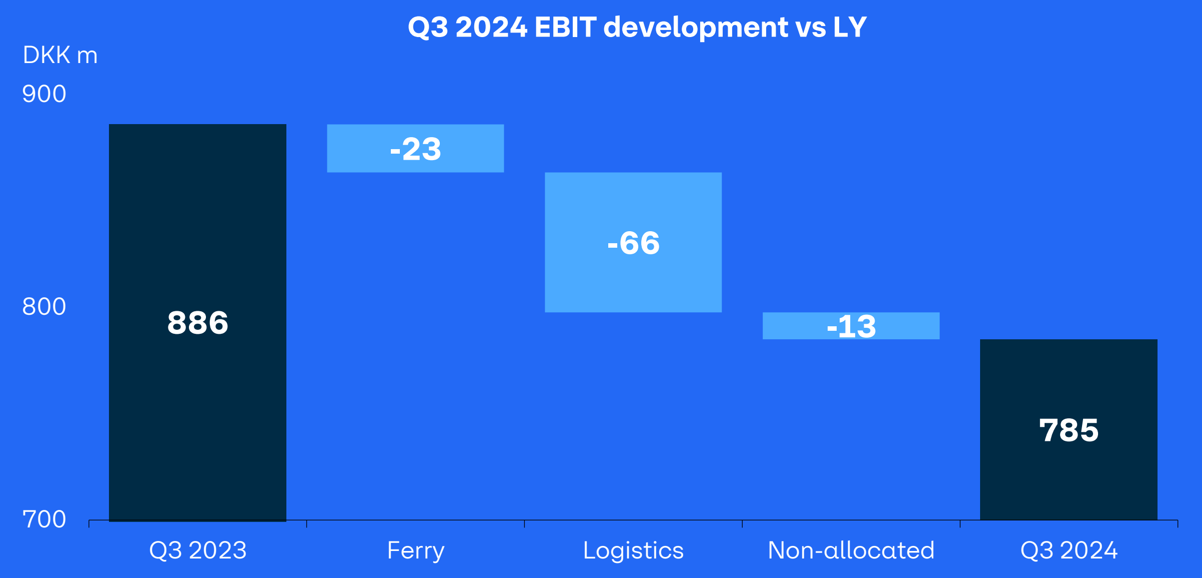
- **Value proposition** – reliability, frequency & efficiency

- **Track record** of overcoming periods with intensified competition

Group EBIT lowered by market headwinds

- **Group Q3 revenue** up 11% and organic growth up 4%
- **Q3 EBIT** of DKK 785m down 11%
- **Ferry** Q3 EBIT down 3% to DKK 792m due to lower freight result and negative variance from one-off incomes in 2023. Good high-season for Strait of Gibraltar
- **Logistics** Q3 EBIT down 57% to DKK 50m as around 30% of revenue is lossmaking from mix of price/margin pressure and underperformance





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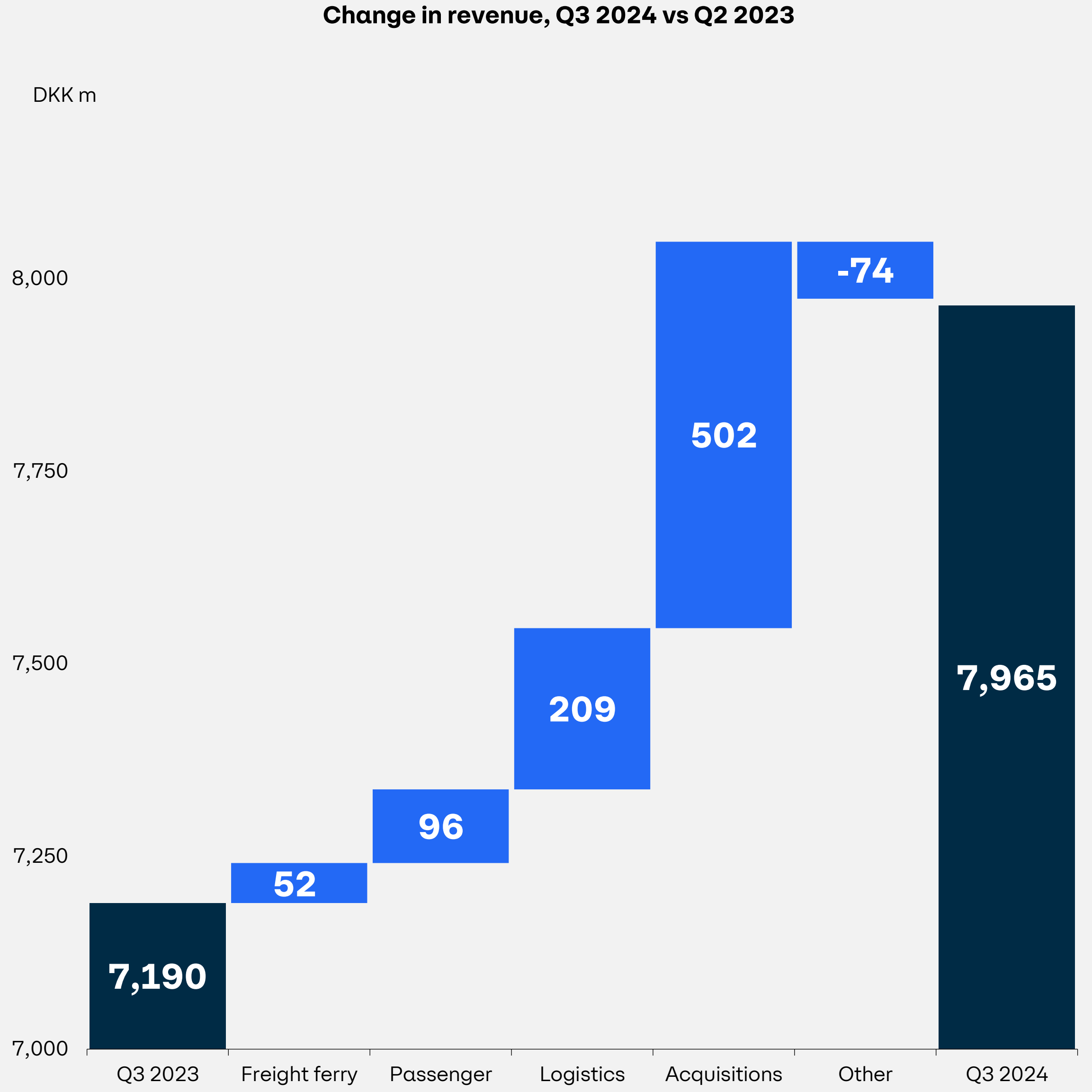
Q3 2024 income statement

- **Revenue** growth of 11% detailed on next slide
- **EBITDA** down 3% following lower result in the Logistics Division - Ferry Division up 1%, including addition of Strait of Gibraltar
- Q3 2023 included positive one-off income items of DKK 135m
- **Depreciation** up 8% or DKK 52m driven mainly by DKK 38m increase of Ferry depreciation
- **Finance** cost down 2% as higher leasing interest cost was offset by positive variance on currency changes

DFDS Group, DKK m	Q3 23	Q3 24	Δ	Δ
Revenue	7,190	7,965	776	11%
EBITDA	**1,556**	**1,508**	**-47**	**-3%**
Margin	*21.6%*	*18.9%*	*-2.7%*	
Other income/costs, net	-7	5	12	n.a.
Depreciation and impairment	-622	-674	-52	8%
EBITA	926	839	-87	-9%
Margin	*12.9%*	*10.5%*	*-2.3%*	
Amortisation	-40	-54	-14	35%
EBIT	**886**	**785**	**-101**	**-11%**
Margin	*12.3%*	*9.9%*	*-2.5%*	
Ferry Division	*814*	*792*	*-23*	*-3%*
Logistics Division	*116*	*50*	*-66*	*-57%*
Non-allocated	*-44*	*-57*	*-13*	*28%*
Finance	-195	-192	3	-2%
Profit before tax	**691**	**593**	**-98**	**-14%**
Tax	-35	-22	13	-37%
Profit after tax	**656**	**571**	**-85**	**-13%**

4% organic revenue growth in Q3

- **Group organic growth*** was 3.9%
- **Freight ferry** organic revenue on level as lower rates offset volume growth
- **Passenger** organic revenue up 6.5% driven primarily by Channel
- **Logistics** organic revenue up 7.1% driven by 13% higher Dry revenue and 3% Cold Chain increase
- **Acquisitions** added revenue of DKK 502m (Strait of Gibraltar 473, Estron 28)

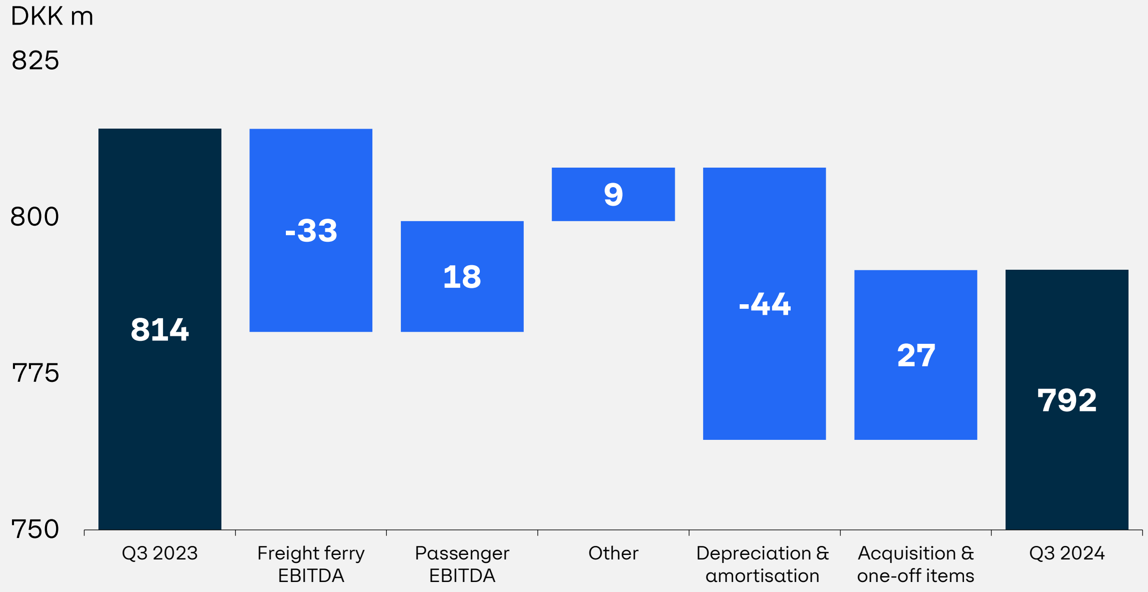


*Adjusted for BAF/ETS, acquisitions, and 2023 one-off releases impacting revenue

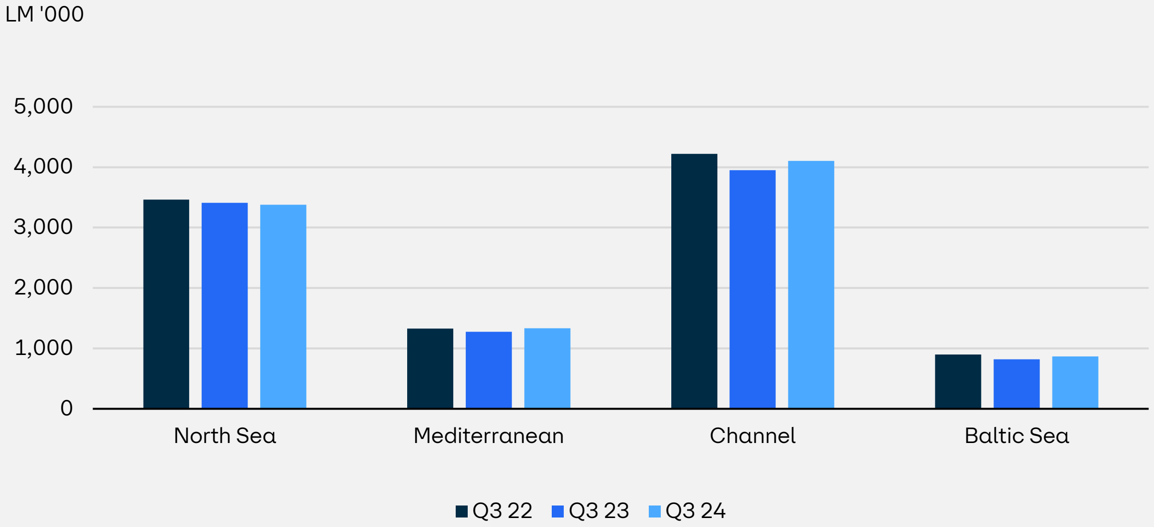
Ferry Division – freight lower, passenger up

- **Freight Ferry EBITDA*** down 7% or DKK 33m driven mainly by rate pressures
- **Passenger EBITDA*** up DKK 18m as higher Channel volumes and spending offset lower Baltic Sea result
- Good passenger high-season result for Strait of Gibraltar
- **Depreciation** increase of DKK 38m due to higher cost of dockings, sale & leaseback impact, and SoG acquisition

Ferry Division - Q3 EBIT vs LY



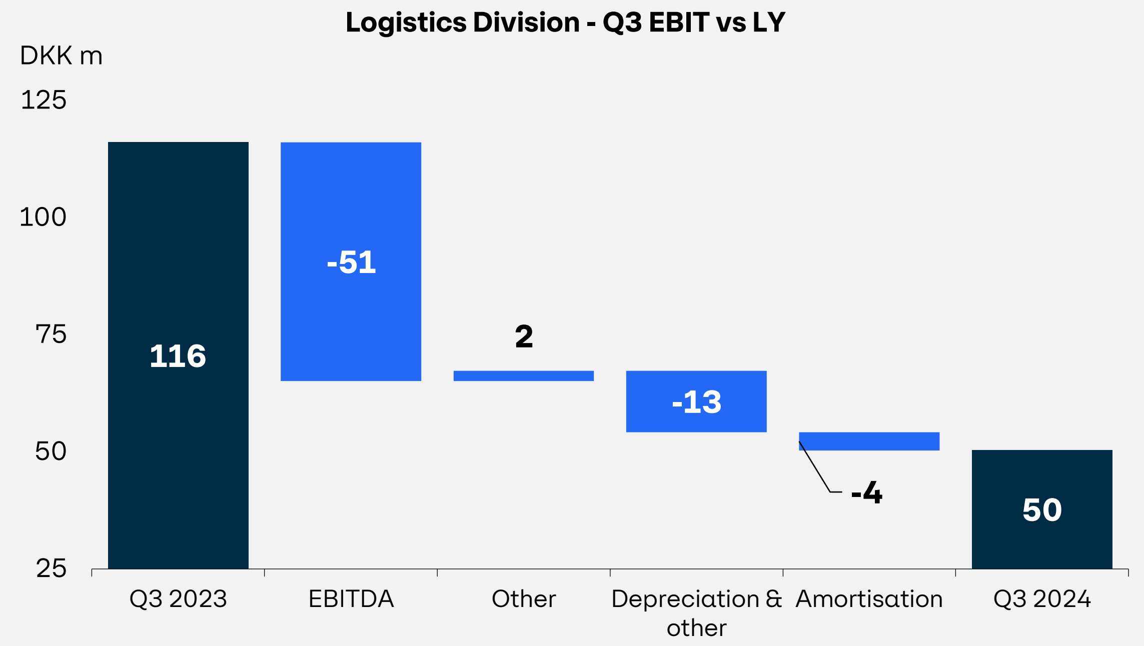
Q3 lane metres up 3.4% adjusted for SoG/route closure

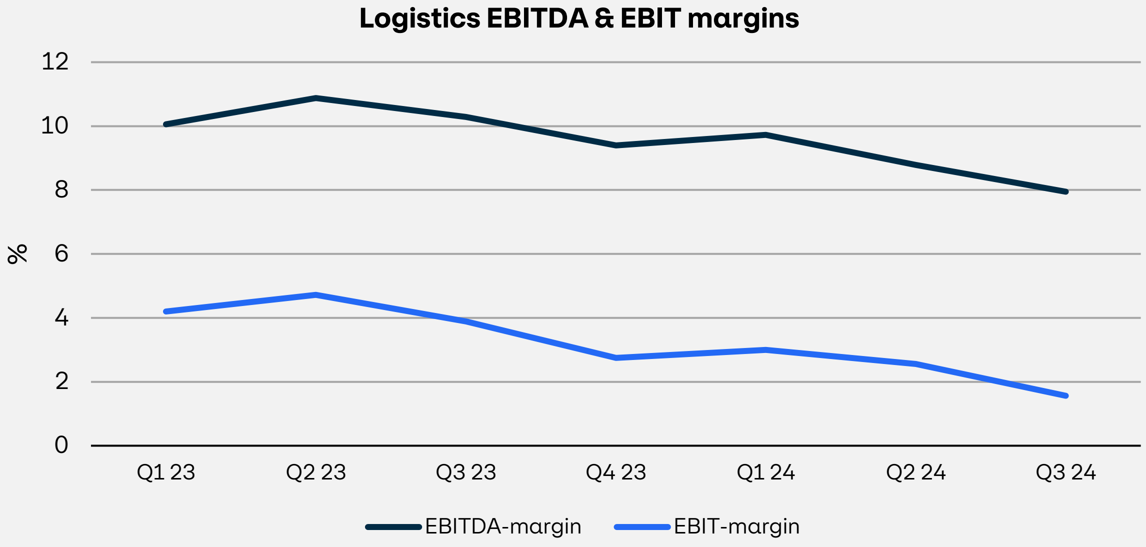


*Adjusted for acquisitions and 2023 one-off releases

Logistics Division – 70% of revenue stable at 4% margin

- **EBITDA** decrease of DKK 51m
- EBITDA for 70% of revenue was above 2023 driven mainly by resilient UK/Ireland, turnaround/restructurings initiated in 2023, and special cargo uplift
- EBITDA for 30% of revenue below 2023 from drop in automotive logistics, FTL-market margin pressure, Brexit phase 3 impact on UK food imports, and Nordic Cold Chain underperformance
- **Depreciation** increased DKK 13m





Cash flows & capital

- **Operating cash flow** down 9% vs 2023 to DKK 1.0bn driven by negative working capital impact from passenger prepayments ahead of Q3
- **Operating capex** of DKK 0.4bn as expected
- **Adjusted free cash flow** of DKK 0.4bn in Q3
- LTM Adjusted free cash flow of DKK 2.2bn includes inflow of DKK 1.5bn from Q4 2023 sale/leaseback of three freight ferries
- **Financial leverage**, NIBD/EBITDA, of 3.3x up from 3.1x at end Q2 2024

DKK bn	Q3 2023	Q3 2024	Δ	Δ	Q3 LTM 2024-23
Cash flows					
Operating cash flow	1.1	1.0	-0.1	-9%	3.4
Capex					
Operating capex	-0.4	-0.4	0.0	-4%	-1.7
Ferries*	0.0	0.0	0.0	n.a.	1.5
Acquisitions	-0.1	0.0	0.0	n.a.	-1.1
Free cash flow	0.7	0.6	0.0	-7%	2.0
Adjusted free cash flow	0.5	0.4	-0.1	-24%	2.2
Capital structure					
NIBD	14.9	15.4	0.5	3%	n.a.
NIBD/EBITDA, times	2.9	3.3	0.3	n.a.	n.a.
NIBD/EBITDA, times - ex. leasing	2.5	2.9	0.4	n.a.	n.a.
Equity ratio	38%	38%	0%	n.a.	n.a.

Moving to Green

Progress on green and social targets

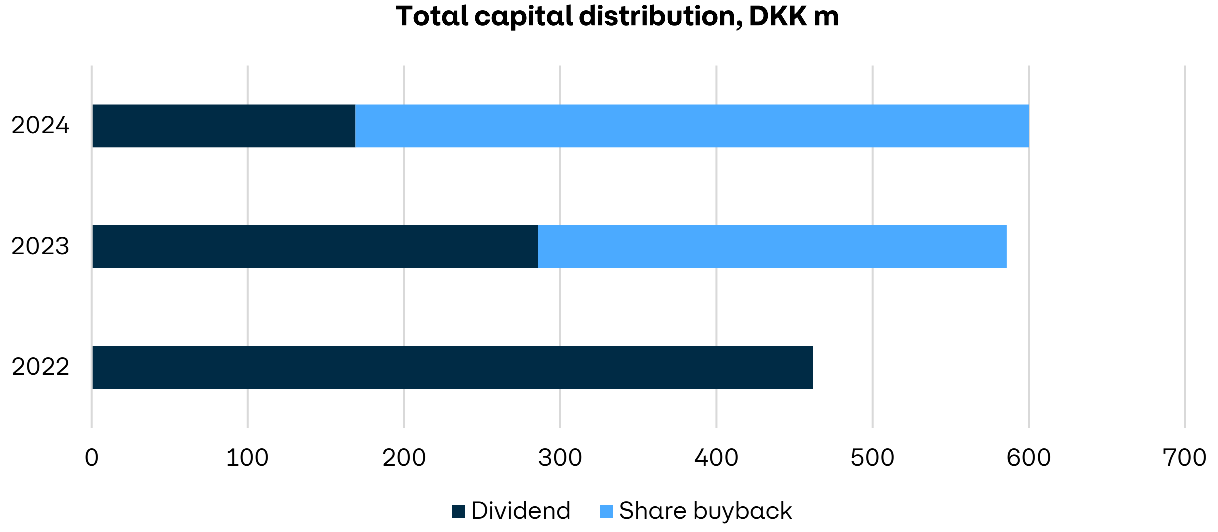
- **Ferry CO2** emission intensity reduced 1% for own fleet and 2% across route network
- **Green RoRo** corridor project – EU funding application not approved
- **E-trucks:** 117 of 225 ordered e-trucks in operation – around 130 expected at year-end
- **Port terminal** shore power projects and tugmaster electrification progressing
- **Women's** non-office positions increased to 14% for Q1-3 2024 from 12% in 2023
- **Safety** (LTIF) for land-based activities improved overall driven by Logistics

Capital distribution, outlook & priorities

Total capital distribution of DKK 600m on track

- **Capital distribution** total of DKK 600m equal to DKK 10.67 per share (ex. own shares)
- **Dividend** of DKK 168m paid in March equal to DKK 3.00 per share (ex. own shares)
- **Share buyback** of DKK 431m under Safe Harbour rules running from 12 February to 31 December 2024
- 1,979k shares bought for DKK 384m up until 4 November 2024

Distribution to shareholders, DKK m	2022	2023	2024
Dividend per share, DKK	8.00	5.00	3.00
Dividend, ex. treasury shares	462	286	168
Buyback of shares	0	300	431
Total distribution to shareholders	462	586	599
Total distribution yield, %	3.1	4.6	n.a.



Outlook 2024 – more challenging H2 than previously expected

- **European** growth rebound no longer expected – slowdown expected to continue in Q4
- **Freight ferry** competition increased by entry of new competitor on Istanbul-Trieste freight ferry route
- **Road transport** margin pressure increased in FTL-markets
- **Passenger** market overall stable – Baltic impacted by softer demand

EBIT range and cash flow outlook lowered

- **Revenue** growth outlook of 8-10% lowered from 8-11% due to termination Ekol Logistics acquisition
- **EBIT** outlook range lowered to DKK 1.5-1.7bn from DKK 1.7-2.1bn
- **Operating capex** reduced to DKK 1.4bn from DKK 1.5bn
- **Adjusted free cash flow** of around DKK 1.2bn lowered from around DKK 1.5bn

DKK m	Outlook 2024	Previous outlook 2024	2023
Revenue growth	**8-10%**	**8-11%**	**27,304**
EBIT	**1,500-1,700**	**1,700-2,100**	**2,326**
Per division:			
Ferry Division	1,450-1,600	1,525-1,850	2,098
Logistics Division	300-350	375-450	469
Non-allocated items	-250	-200	-242
Capex	**-1,400**	**-1,500**	**-115**
Types:			
Operating	-1,400	-1,500	-1,581
Ferries: sale & purchase, new-buildings	0	0	1,466
Adjusted free cash flow	**Around 1,200**	**Around 1,500**	**2,773**

Key priorities rest-of-year

- **Organic growth** focus - protect key ferry market positions and continue to add enterprise accounts
- **Turn Logistics'** earnings trend around – seven targeted turnaround projects
- **Cost focus** – reverse cost increase trend
- **Green transition** – continue to deliver on short- and long-term targets
- **Adapt** to and manage new compe-titive dynamics in Mediterranean market

Q&A

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