

London

Strong growth

September 2022



We provide

Ferry services

Freight and passenger routes plus port & rail services



Logistics solutions

Freight forwarding and contract logistics

Our business model

DFDS' business model combines ferry services and logistics solutions to facilitate trade and travel between people and businesses. The ferry routes are a vital part of Europe's transport infrastructure. The logistics solutions range from door-door transports to complex supply chain

management. Logistics solutions often include ferry services, and 9% of our freight ferry volumes were carried for our own Logistics Division in 2021 with a share of up to 25% on some routes.

Ferry routes



Door-door solutions

For dry goods and cold chain



Contract logistics

For dry goods and cold chain



Support



Custom solutions



Warehouse



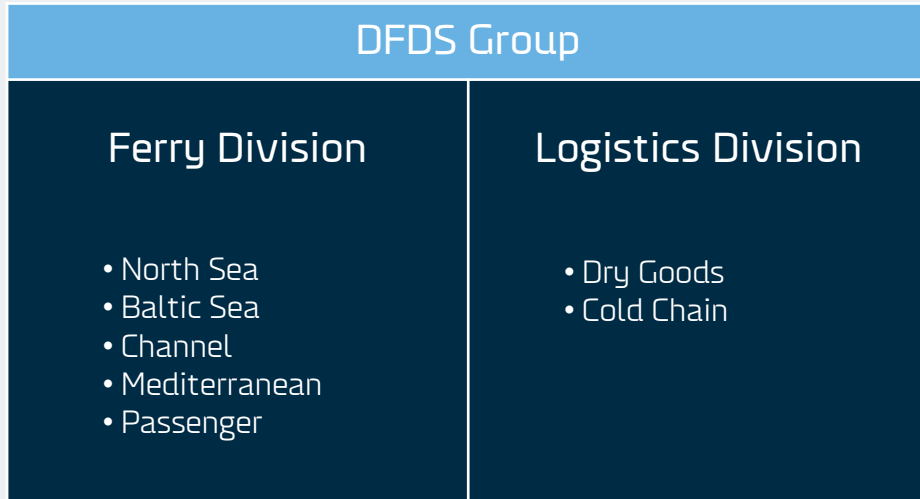
Temperature-controlled warehousing

DFDS' ferry and logistics network

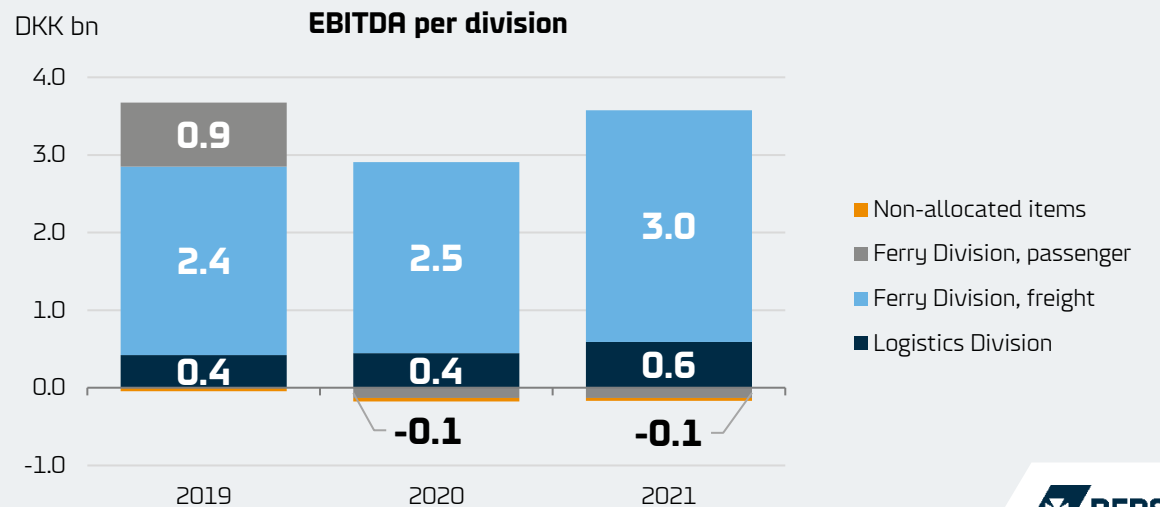
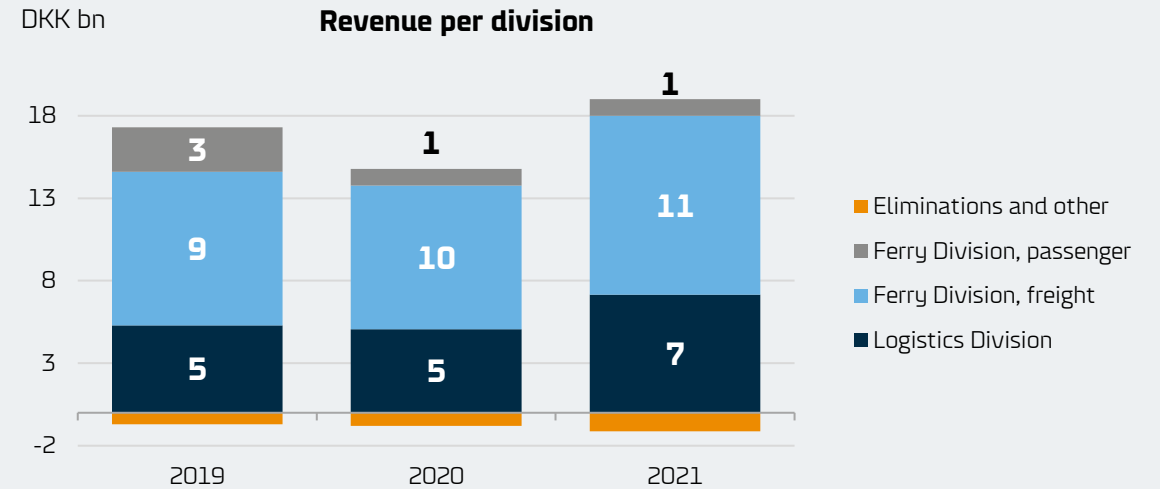
- DKK 25bn revenue*
- DKK 4.4-4.8bn EBITDA*
- 11,000 employees
- 26 routes – incl.
9 passenger routes
- 8 port terminals
- 60+ logistics locations



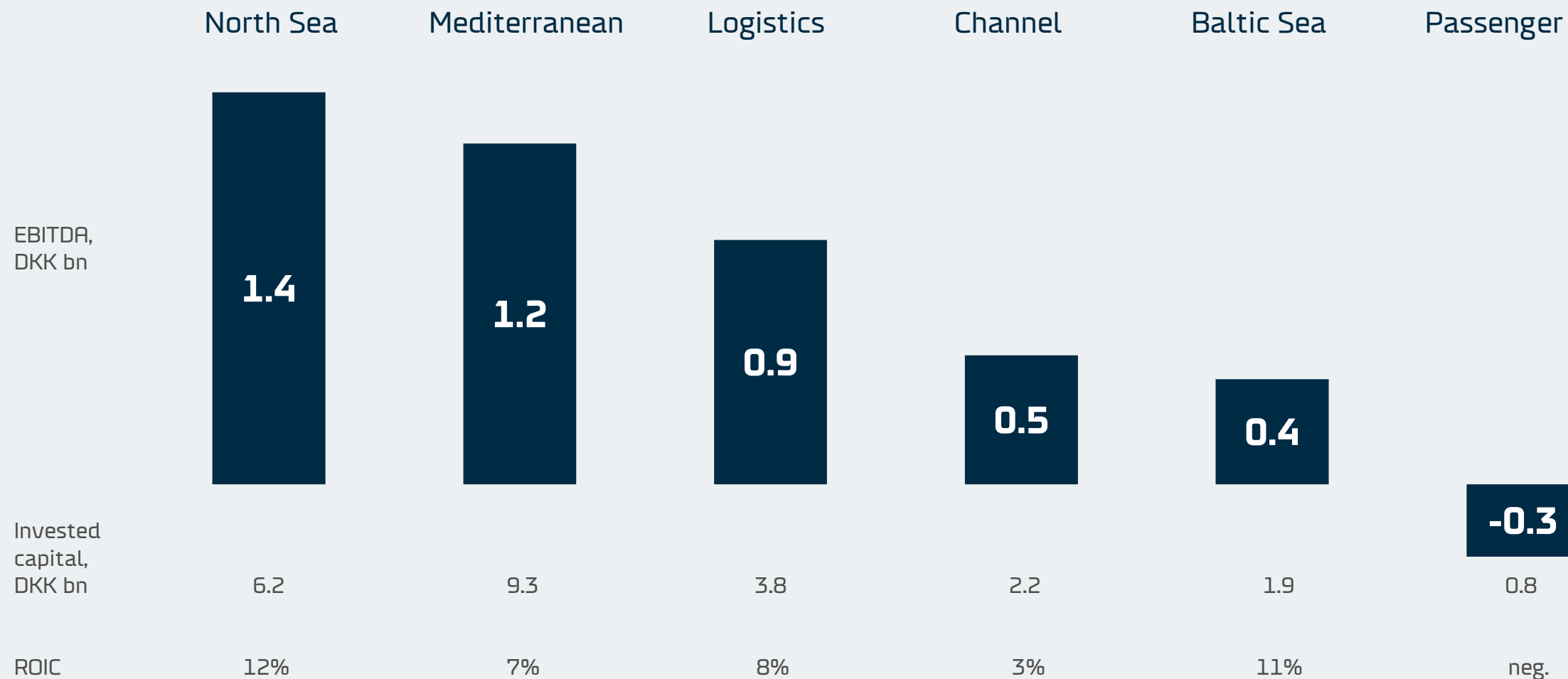
DFDS structure, ownership and earnings split



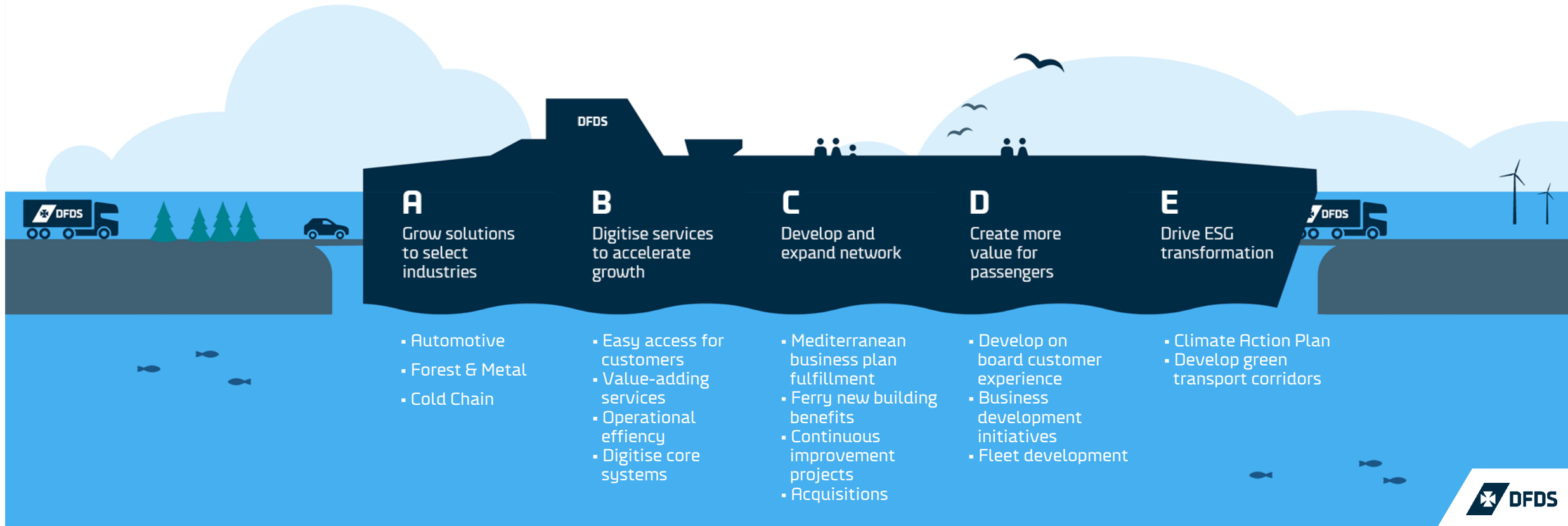
- Founded in 1866
- Lauritzen Foundation holds 42% of the share capital



Business units – EBITDA, invested capital and ROIC, Q2 2022 LTM



DFDS' strategy

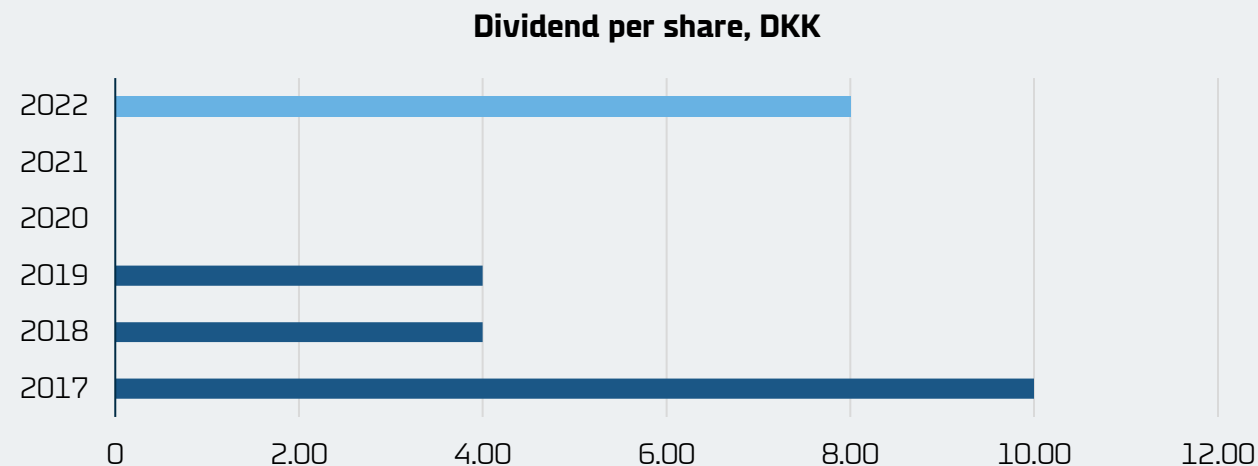


CAPEX & CAPITAL DISTRIBUTION

Capital distribution resumed in 2022 after Covid-19

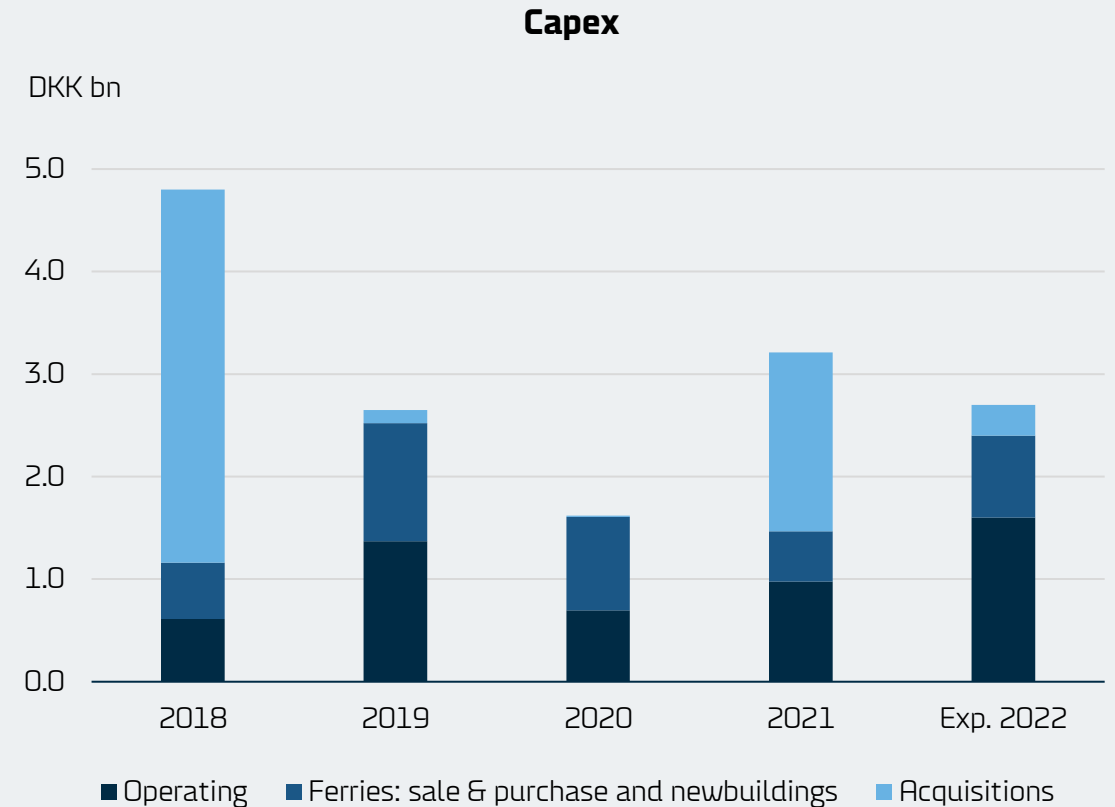
- Dividend on hold 2020-21 as Covid-19 raised NIBD/EBITDA above 4x
- Target range for NIBD/EBITDA of 2.0-3.0x
- NIBD/EBITDA expected to enter target range in 2022
- Dividend of DKK 4.00 paid in March 2022 and DKK 4.00 in August 2022

Distribution to shareholders, DKK m	2017	2018	2019	2020	2021	2022
Dividend paid per share, DKK	10.00	4.00	4.00	0	0	8.00
Total dividend paid ex. treasury shares	555	219	229	0	0	458
Buyback of shares	1,106	190	0	0	0	0
Total distribution to shareholders	1,661	409	229	0	0	458
Total distribution yield, %	9.2	2.7	1.2	0	0	n.a.



CAPEX set to decline following completion of newbuilding program

- 6 freight ferry newbuildings delivered 2019-2021
- 2 combined freight & passenger ferries delivered 2021-2022
- CAPEX set to decline next couple of years following completion of current newbuilding program
- 'Green' ferry investment expected towards 2025



Q2 2022

Excellent Q2 result across all business units shores up financial strength

- **Passengers** coming back faster than expected
- **Logistics** margins restored by concerted effort
- **Channel** market share holding up well as competitive situation evolves
- **Financial leverage** set to enter target range of 2.0-3.0 during H2
- **Macro uncertainty** driven by war in Ukraine and inflation may, or may not, tip Europe into recession in 2022 or 2023

Revenue up

67%

to DKK 7.0bn

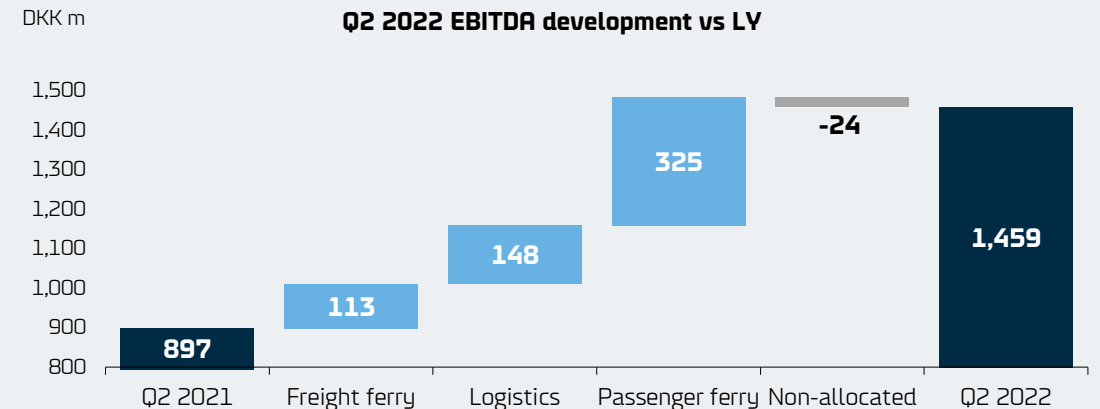
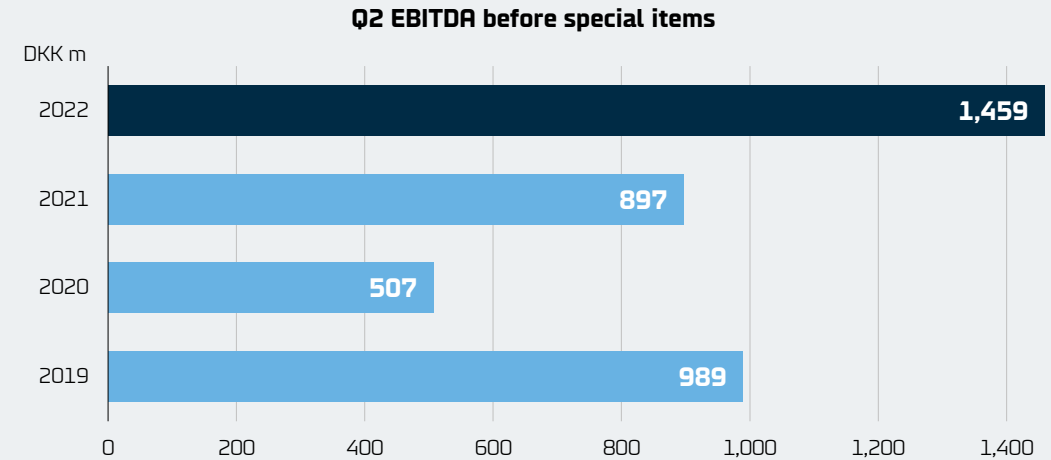
EBITDA up

63%

to DKK 1.5bn

All business units contributed to an all-time high quarterly result

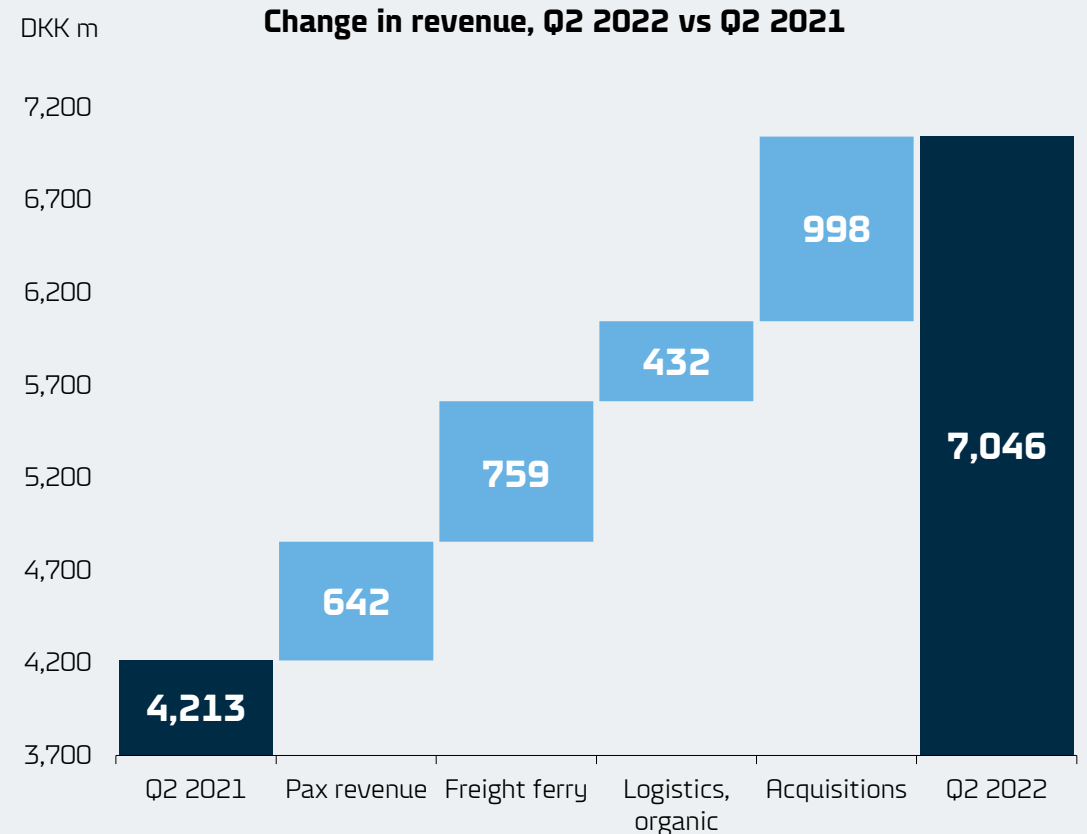
- **DFDS Group** revenue up 67% and EBITDA up 63% to DKK 1.46bn
- **Ferry freight** EBITDA up 13% to DKK 948m driven by Mediterranean growth and higher North Sea earnings
- **Passenger** EBITDA* up DKK 325m to DKK 255m from DKK -70m in 2021
- **Logistics** EBITDA more than doubled to DKK 274m by improved cost coverage and HSF acquisition



*Includes passenger EBITDA from the Channel, Baltic Sea, and Passenger business units

Passenger recovery, logistics growth, and acquisitions raise revenue

- **Passenger** up DKK 642m driven by the Channel and Passenger business units
- **Freight ferry** up DKK 759m mainly due to bunker surcharges as low sulphur oil price increased 156% vs Q2 2021
- **Logistics** growth of DKK 432m reflects price increases, surcharges, logistics solutions growth, and higher customs clearance revenue
- **Acquisition** revenue of DKK 998m, of which DKK 921m from HSF Logistics Group and DKK 77m from ICT Logistics



Q2 2022 income statement – strong earnings improvement

- **EBITDA** up 63% driven by passenger recovery, improved logistics results, and addition of HSF Logistics Group
- **Depreciation** in line with Q1 2022, up 26% vs Q2 2021 of which around half from acquisitions. Other half from newbuildings and more leased ferry and logistics capacity
- **EBIT** more than doubled to DKK 829m and margin increased 2.3 ppt to 11.8%
- **Profit before tax** up 135% to DKK 748m

DFDS Group P/L DKK m	Q2 21	Q2 22	Δ	Δ
Revenue	4,213	7,046	2,833	67%
EBITDA*	897	1,459	562	63%
<i>Margin</i>	<i>21.3%</i>	<i>20.7%</i>	<i>-0.6%</i>	
<i>Ferry Division</i>	<i>765</i>	<i>1,203</i>	<i>437</i>	<i>57%</i>
<i>Logistics Division</i>	<i>126</i>	<i>274</i>	<i>148</i>	<i>118%</i>
<i>Non-allocated</i>	<i>6</i>	<i>-18</i>	<i>-24</i>	<i>n.a.</i>
P/L associates	-2	-2	1	n.a.
Gain/loss on assets	4	7	2	46%
Depreciation	-502	-635	-133	26%
EBIT*	397	829	432	109%
<i>Margin</i>	<i>9.4%</i>	<i>11.8%</i>	<i>2.3%</i>	
Finance	-78	-81	-3	3%
Profit before tax*	319	748	429	135%
Tax	-21	-56	-35	165%
Profit after tax*	298	692	394	132%
Special items	12	15	3	n.a.

*Before special items

Financial strength shored up as leverage heads towards target range

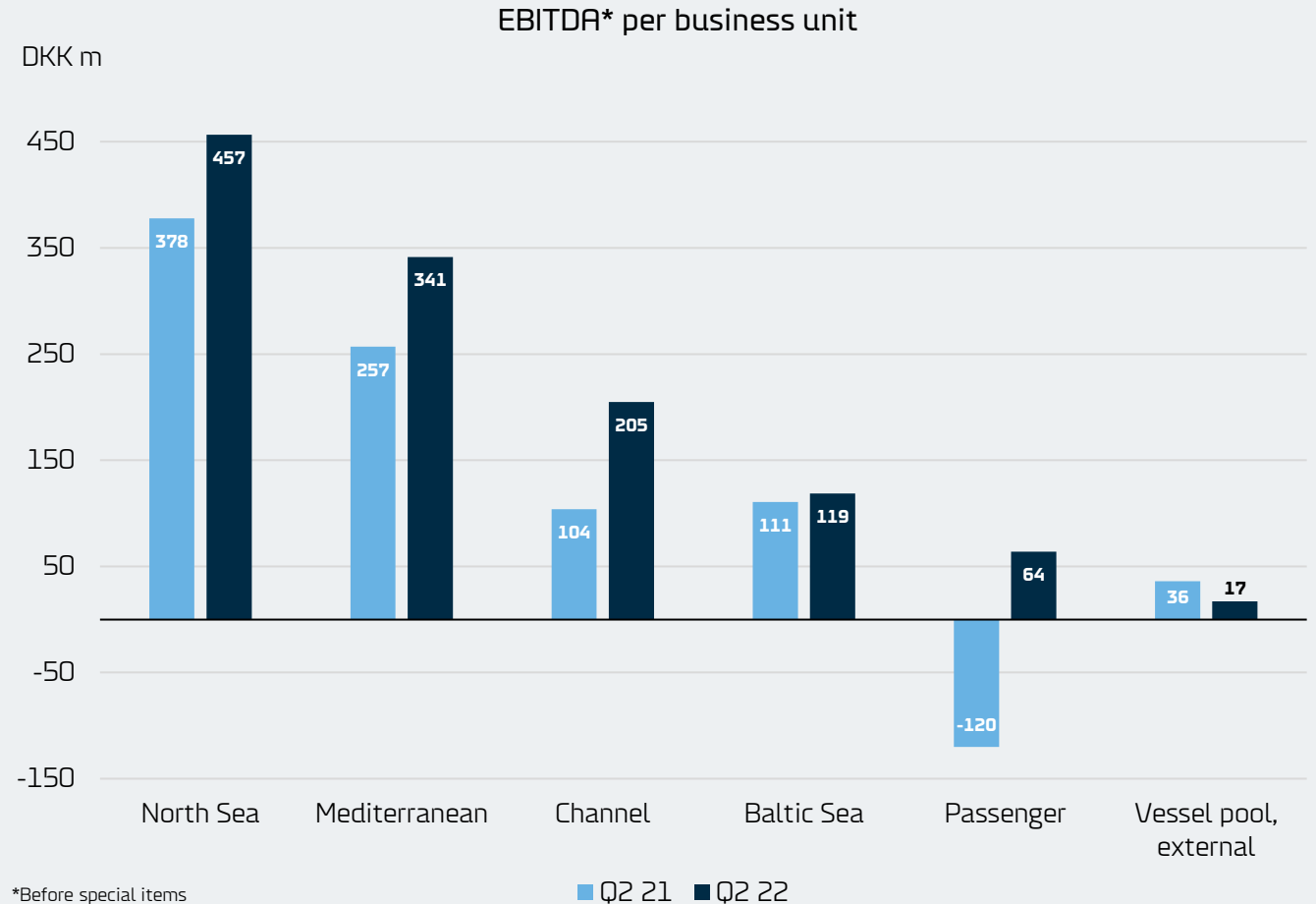
- **Assets** up DKK 5.0bn mainly due to HSF consolidation and newbuildings
- **Operating cash flow** up 58% to DKK 1.6bn includes positive cash impact from working capital. Adjusted free cash flow of DKK 0.8bn includes investments of DKK 0.6bn
- **NIBD** up 17% to DKK 13.6bn mostly due to acquisitions and newbuildings
- NIBD/EBITDA-ratio at 3.3* expected to enter 2.0-3.0 target range during H2 2022
- **ROIC** (LTM)** of 6.1% still includes significant negative passenger impact

DKK m	Q2 21	Q2 22	Δ	Δ
Non-current intangible assets	4,889	6,280	1,391	28%
Non-current tangible assets	17,678	20,025	2,347	13%
Total assets	28,515	33,537	5,021	18%
Working capital	237	-182	-418	n.a.
Cash flow				
Operating cash flow	995	1,570	575	58%
Investments, total	-164	-558	-394	240%
Operating	-125	-495	-370	296%
Ferries, sale/purchase/newbuildings	-39	-42	-3	8%
Acquisitions	n.a.	-21	n.a.	n.a.
Adjusted free cash flow	604	758	154	25%
Key figures				
Average no. of employees	8,120	11,171	3,051	38%
Invested capital, end	22,121	25,369	3,248	15%
ROIC before special items	5.6%	6.1%	0.5%	n.a.
Return on equity	7.7%	11.3%	3.6%	n.a.
NIBD	11,688	13,646	1,958	17%
NIBD/EBITDA, times	3.6	3.3	-0.3	n.a.
Equity ratio	38.7%	36.3%	-2.4%	n.a.

*Including LTM pro forma EBITDA for acquisitions
 **Before special items

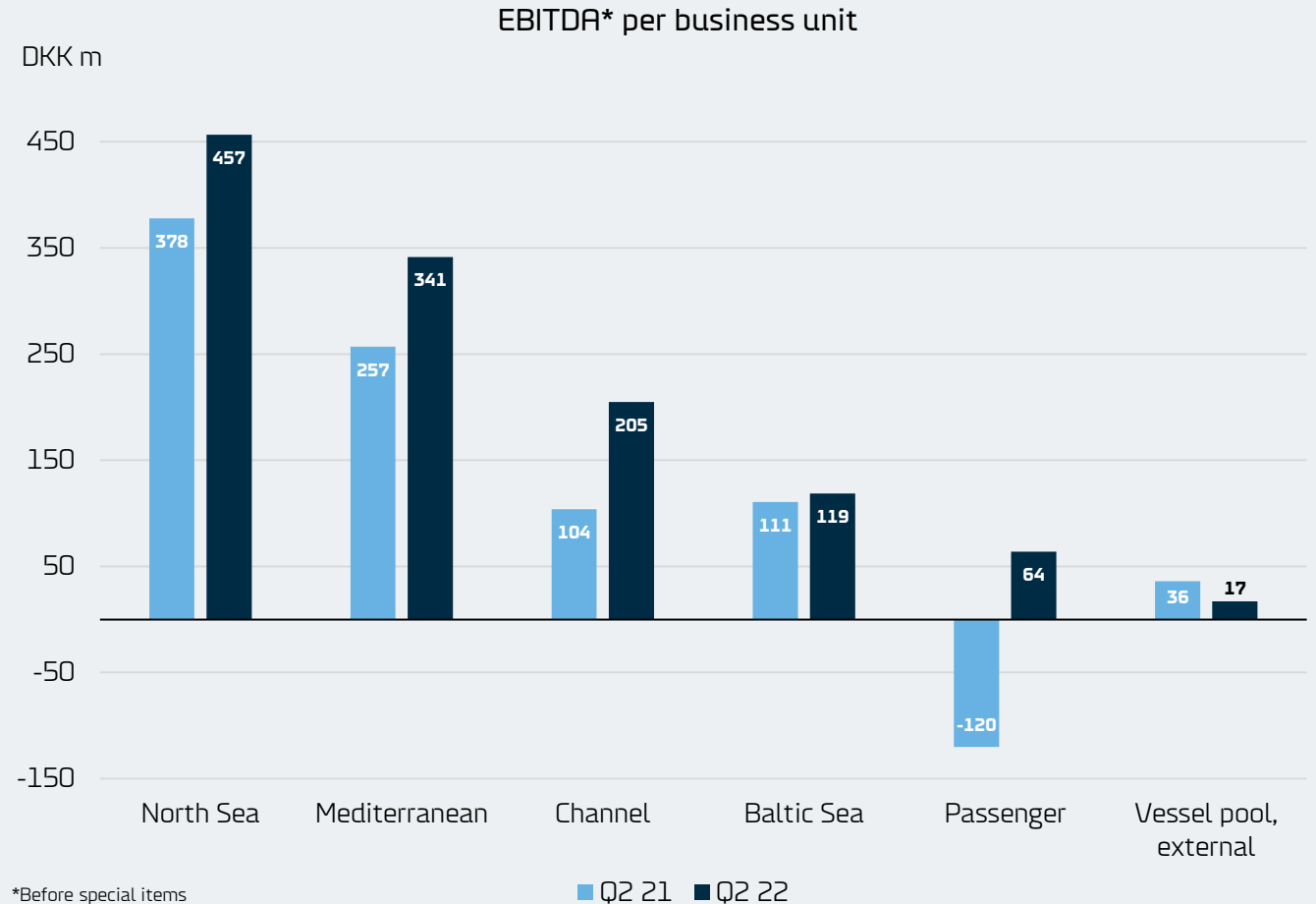
Ferry EBITDA boosted by passenger recovery

- **North Sea** up 21% driven by higher revenue from rates and standage fees in port terminals as well as lower operating costs
- **Mediterranean** up 33% driven by volume growth as well as improved results for port terminal and rail activities, including addition of primeRail
- **Channel** doubled EBITDA due to recovery of passenger earnings. Freight result decreased by higher operating costs and loss of Brexit standby income in 2021



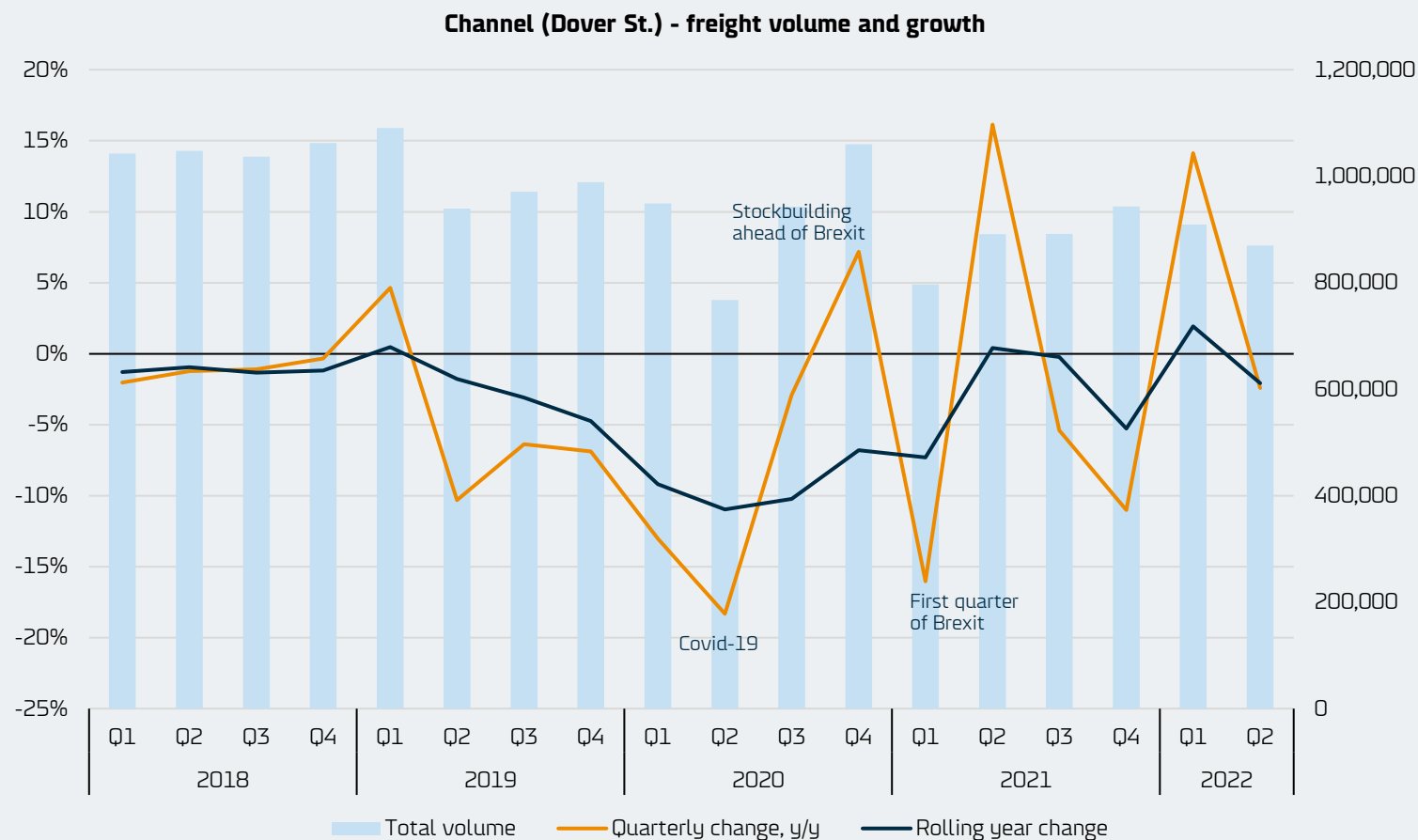
Ferry EBITDA boosted by passenger recovery

- **Baltic Sea** up 7% as reduced freight volumes, due to the war in Ukraine, were offset by lower operating costs and higher passenger earnings
- **Passenger** up DKK 184m following the recovery in passenger volumes and increased average revenue per pax which partly offset a higher net bunker cost



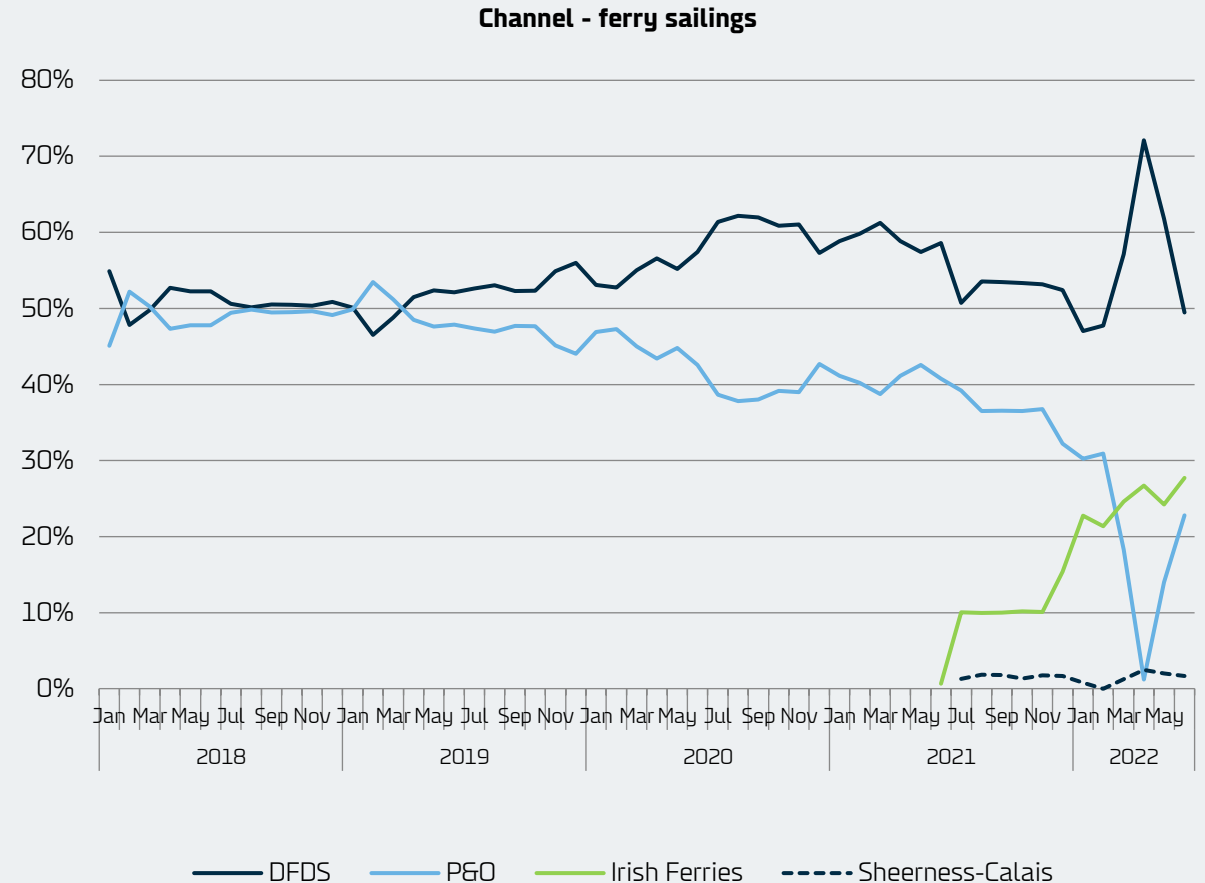
Channel freight volumes – growth in 2022 held back by uncertainties

- Channel volumes recovered through 2021 post Covid-19 and Brexit
- Declining trend in Q2 2022 from higher transport costs, supply chain restraints, and recession uncertainty
- Growth trend more stable for unaccompanied North Sea volumes



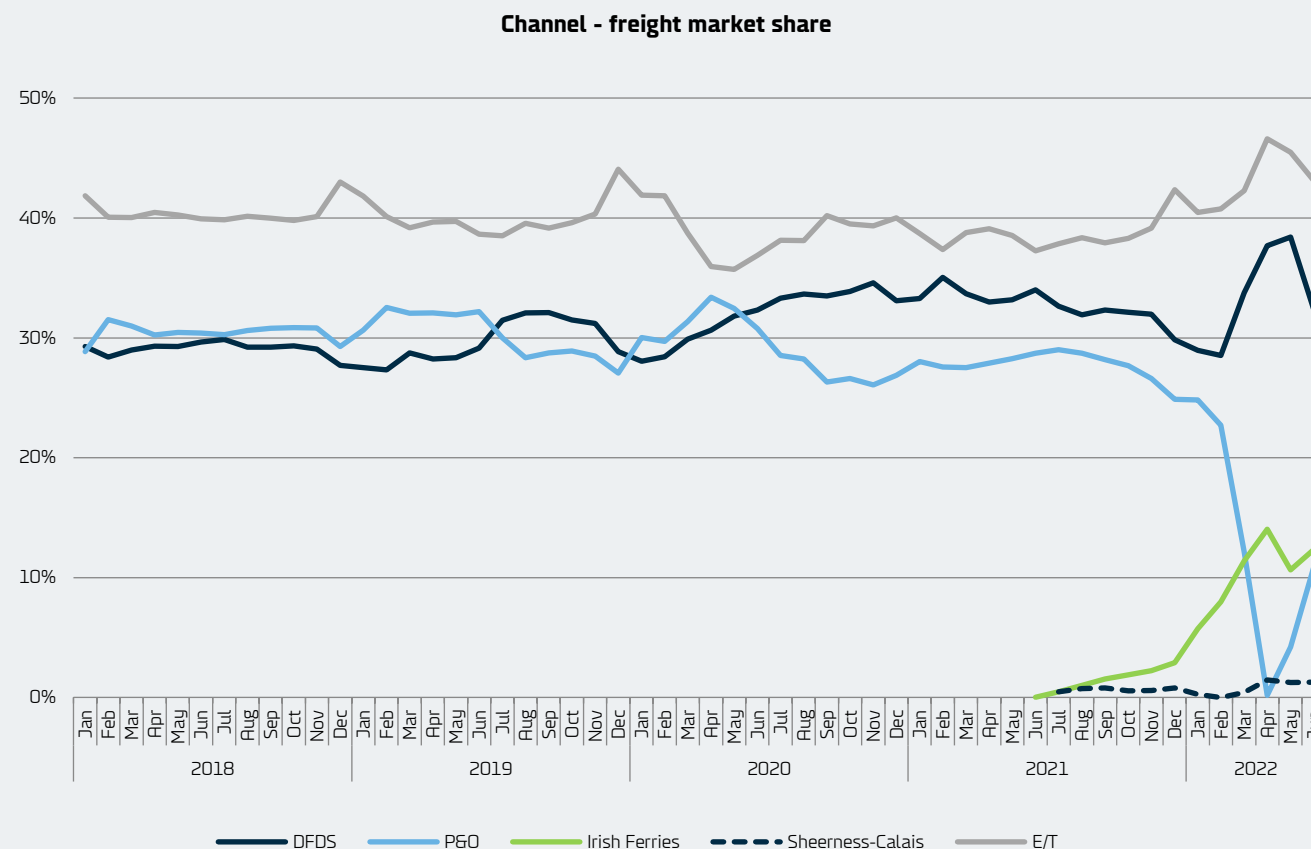
Channel – DFDS currently provides around 50% of ferry sailings

- Temporary increase in sailings in Q1/Q2 due to P&O Ferries' suspension of sailings from 17 March
- P&O Ferries capacity in Q2 not fully restored to historic level
- Irish Ferries' deployment of three ferries equalled 27% of sailings in June 2022 but capacity share is lower due to smaller ferries



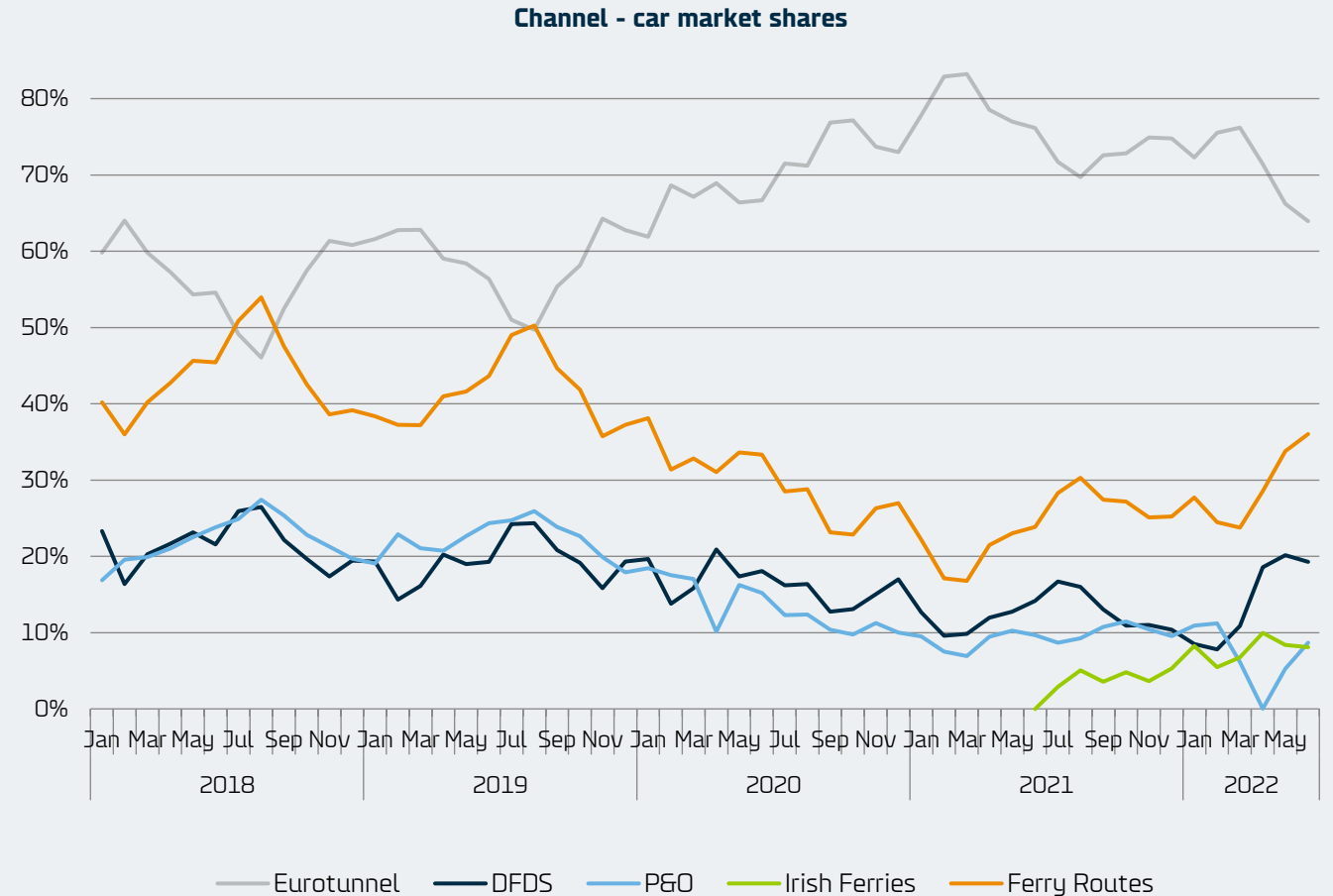
Channel freight market share – temporary boost from P&O suspension

- DFDS' market share boosted by P&O Ferries' suspension of sailings from 17 March
- Eurotunnel's market share up due to price advantage vs ferries' bunker surcharge
- Irish Ferries' market share below capacity share (around 20% share of ferries)



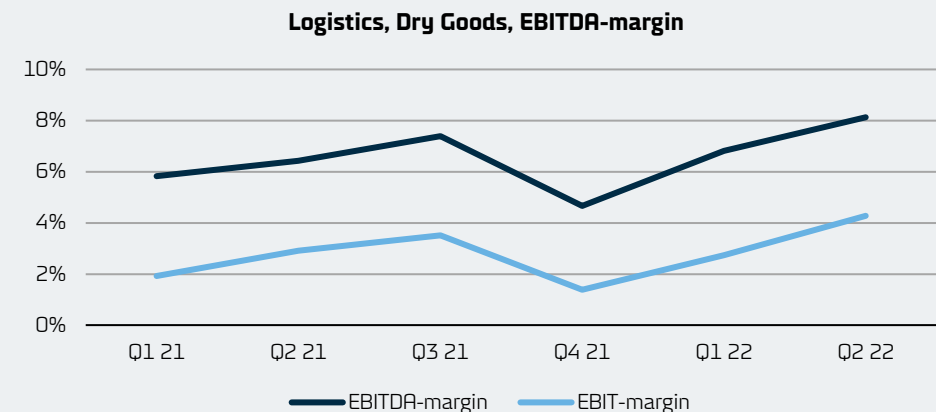
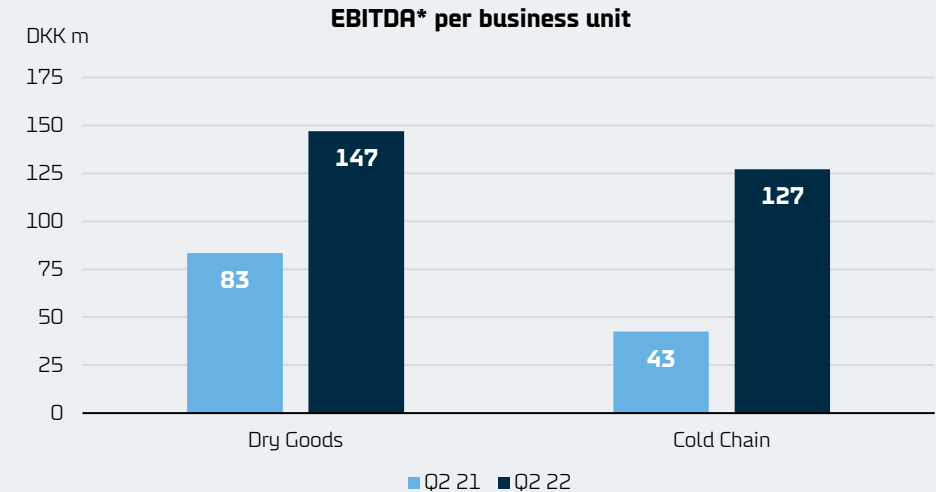
Channel passenger car market share – Eurotunnel share raised

- Eurotunnel raised market share during Covid-19
- Historical pattern of tunnel and total ferry market shares converging in Q3 high season not yet reestablished
- DFDS' market share boosted temporarily by P&O Ferries' suspension of sailings



Logistics EBITDA more than doubled to DKK 274m

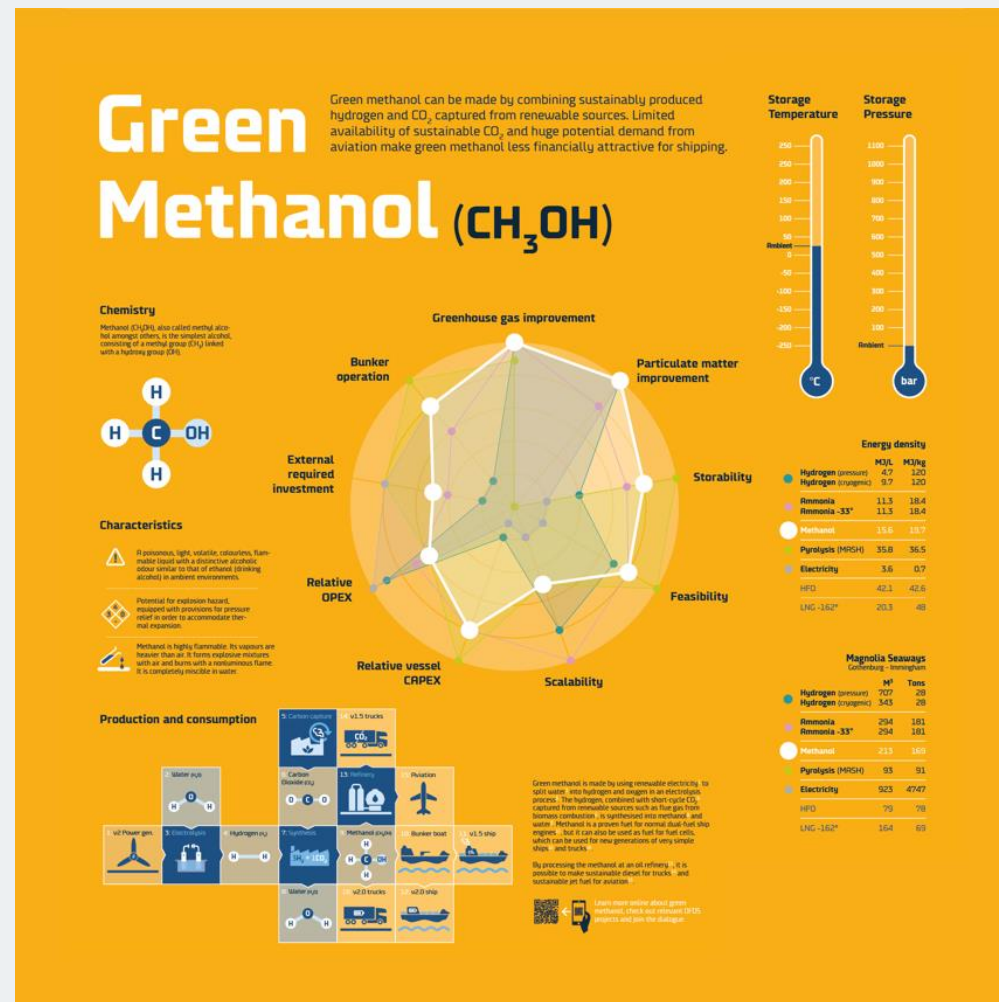
- **Dry Goods** up 76% as margins were successfully restored by concerted effort to improve cost coverage
- Forwarding volumes on level or below 2021
- Demand for contract logistics solutions continued at a high level, with increasing utilisation of new warehousing facilities
- **Cold Chain** tripled EBITDA driven by HSF Logistics Group that performed in line with expectations
- Nordic and German activity levels stable
- Dutch activities faced headwind from meat supply disruptions due to war in Ukraine
- More focus by meat producers on EU sales as complexity of UK sales increased by Brexit
- UK activities below 2021 mainly due to lower Scottish aquaculture volumes

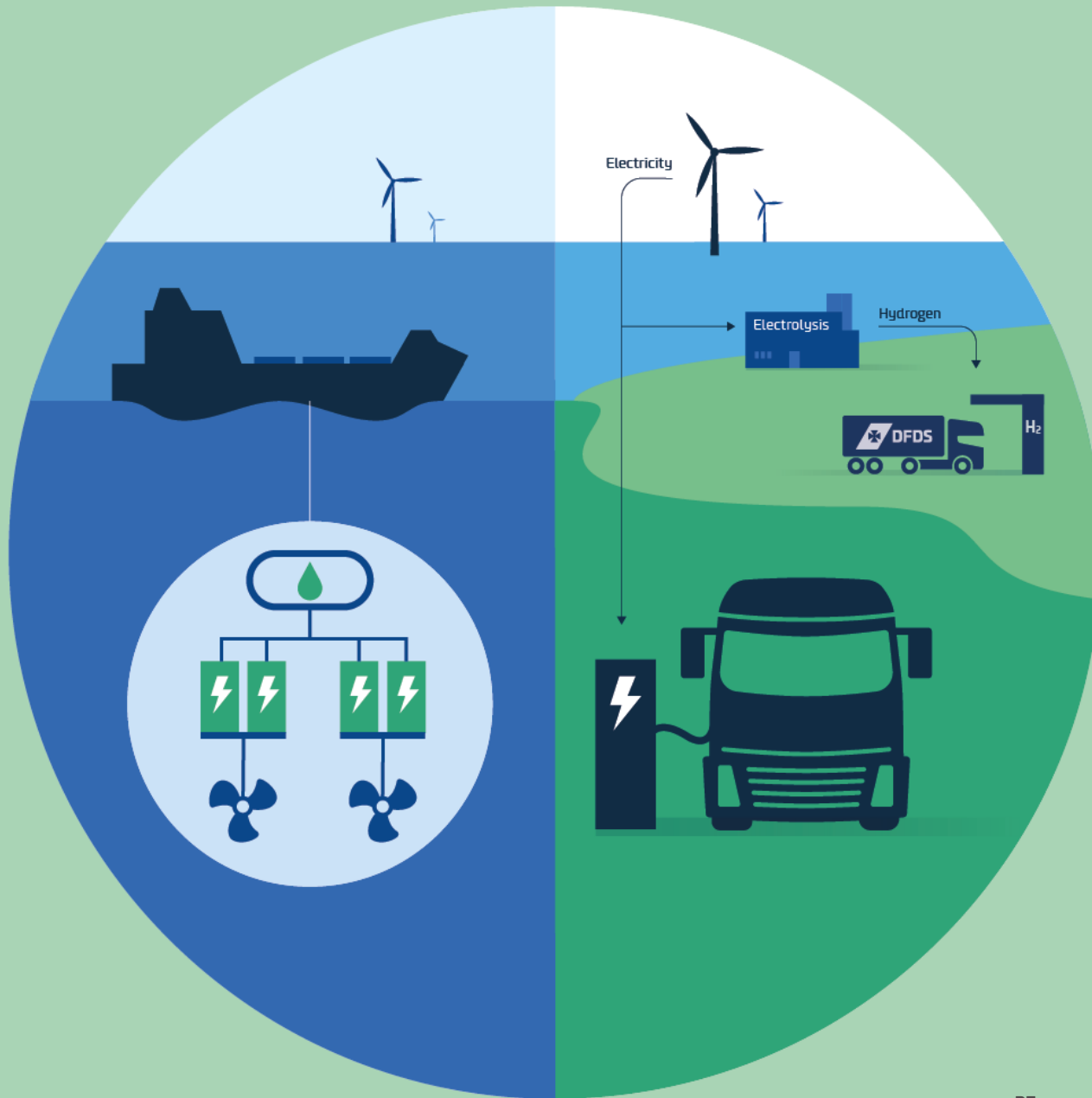


Key ESG actions

- **Ferry** CO2 emissions reduced 4% in Q2*
- **Shore power** installations on freight ferries initiated, 4 expected in 2022
- First of 125 **eTrucks** set for deployment in Gothenburg in Q4 2022
- Project **Green Ferry** 2025 expected to focus on retrofitting
- **Logistics** 50% emission reduction target set for 2030 – includes alternative fuels, eTrucks, and green energy production from warehouse solar panels

*On entire fleet. 3% reduction on own fleet.

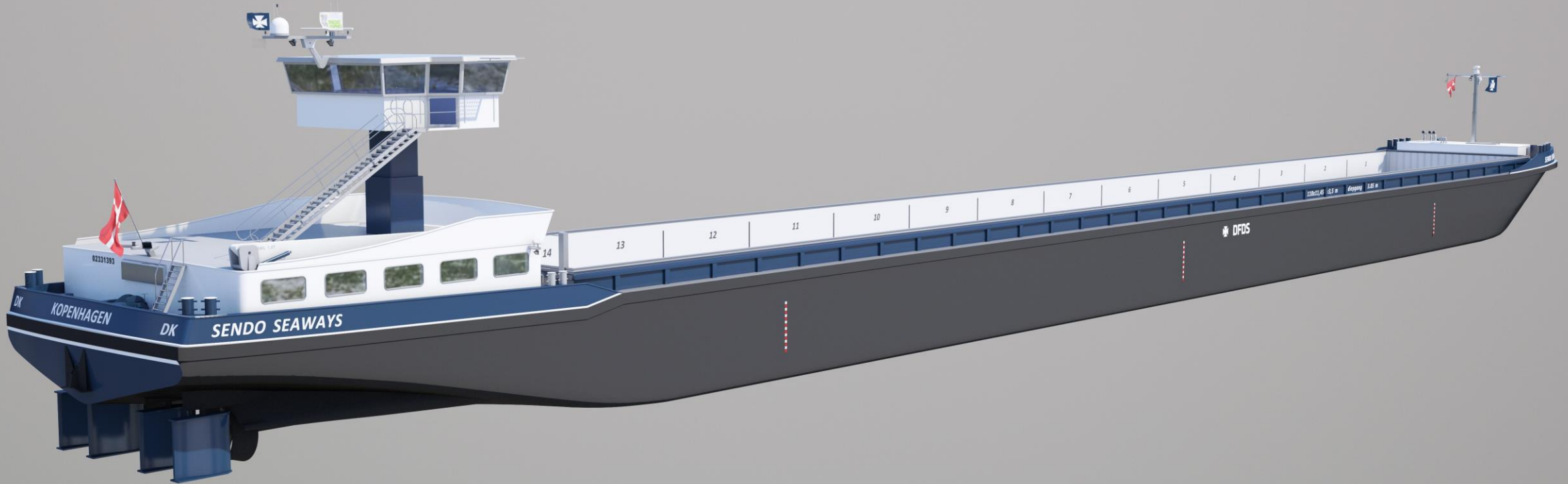




Ferry ESG

- More shore power
- First biofuel Q4
- Green ferry 2025
- Green barge 2023

Deployment of electric barge in 2023 in Ghent



Logistics ESG

- 50% reduction by 2030 of road & warehousing emissions
- Trial of 200 hydrogen trucks in 2024/25
- 12 warehouses with solar panel systems planned
- First E-trucks in Gothenburg Q4
- E-trailers in Denmark plus UK 'sunswap' trailers





E-trailers deployed in Denmark

- Cold Chain trailers for perishable goods
- 3 trailers operated with Danish Crown
- No CO2 or particle emissions
- Less noise

2022 OUTLOOK

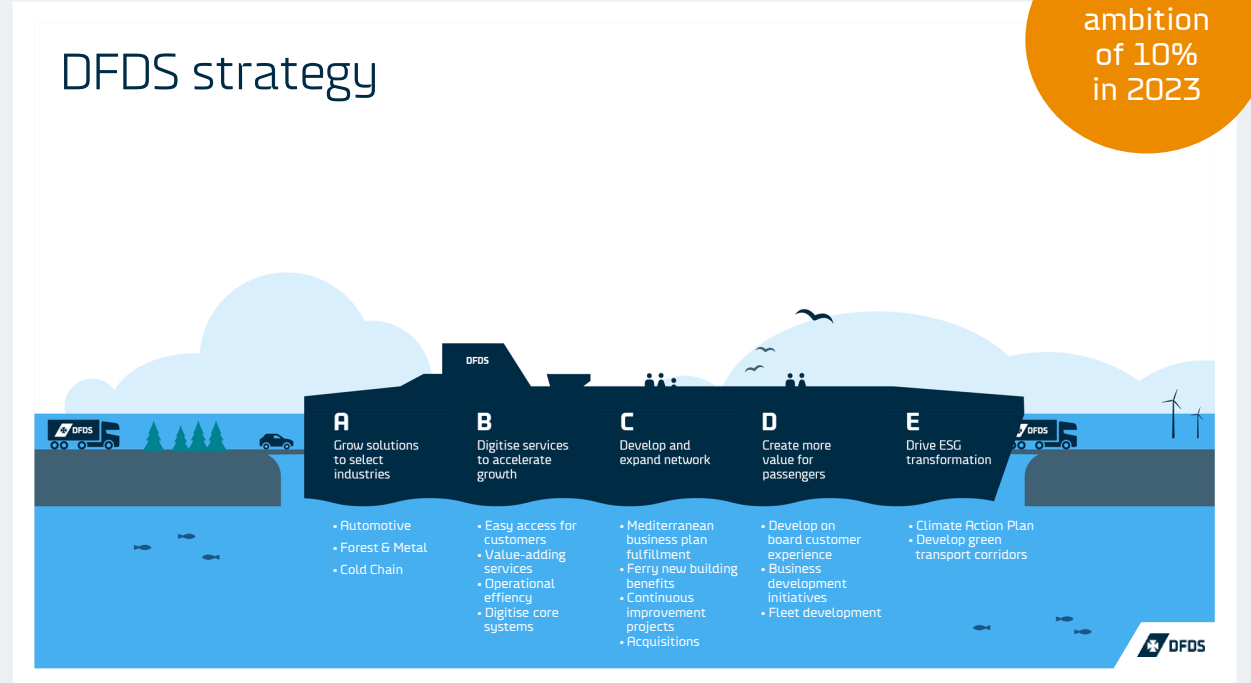
Outlook 2022 – EBITDA and revenue growth raised

- **Revenue** growth raised to around 40% (previously around 35%)
- Increase from 35% mainly due to higher revenue from oil surcharges
- **Passenger** EBITDA expected to increase to 80% of pre-Covid-19 earnings in 2019 – up from previously 60%
- **Investments** increased due to additional opportunities and Irish logistics acquisition

DKK m	Outlook 2022	Previous	2021
Revenue growth	Around 40%	Around 30%	17,869
EBITDA before special items	4,400-4,800	3,900-4,400	3,411
<i>Per division:</i>			
Ferry Division	3,500-3,800	3,050-3,450	2,853
Logistics Division	950-1,050	900-1,000	593
Non-allocated items	-50	-50	-35
Investments	-2,700	-2,300	-3,210
<i>Types:</i>			
Operating	-1,600	-1,400	-975
Ferries: sale & purchase, newbuildings	-800	-800	-490
Acquisitions	-300	-100	-1,745

Key current priorities

- Organic growth
- Align pricing with cost dynamics
- Optimise duty-free sales
- Green transition projects
- Grow customer offerings and scale of network through M&A



ROIC
ambition
of 10%
in 2023

Q&A



DFDS strategic profile summary

UNIQUE FERRY INFRASTRUCTURE AND LOGISTICS SOLUTIONS

- **Transport corridors** combining ferry infrastructure and logistics solutions
- Strategic **port terminal** hubs and **rail** connections
- Logistics solutions for **dry goods and cold chain**
- **Passenger** ferry services in corridors with travel demand

CREATING VALUE THROUGH GROWTH

- Organic GDP **growth**, commercial initiatives and M&A
- Business model **scaling**: network, people, assets & systems
- **ROIC** mindset, capital discipline
- Excess **capital** to shareholders
- **Well invested** asset base ahead of de-carbonisation

PRIORITISING ESG

- **Zero-emission** 2050 footprint ambition
- 45% emission **reduction** by 2030
- **Diversity & Inclusion** key priorities in Caring Employer strategy
- **Transparency**, compliance and code of conduct driven



Our key freight and passenger offerings

Freight

- 
 Ferry transport of freight units, accompanied and unaccompanied
- 
 Port terminal services
- 
 Rail Solutions
- 
 Special Cargo

Passenger

- 
 Short sea ferry
- 
 Overnight ferry
- 
 Mini cruise
- 
 Packaged breaks
- 
 Groups & events
- 
 Conferences at sea

Ferry types

The route network deploys 65 ferries



Day ferry (ro-pax), Channel

Freight ferry (ro-ro)



Combined freight and passenger ferry (ro-pax)



Cruise ferry



Freight ferry



- Our largest freight ferries carry 450 trailers equal to 6.5 km of deck length
- Turnaround time in port of 7 to 9 hours
- Crew of around 15
- Newbuildings lower bunker consumption by 30% when fully utilised

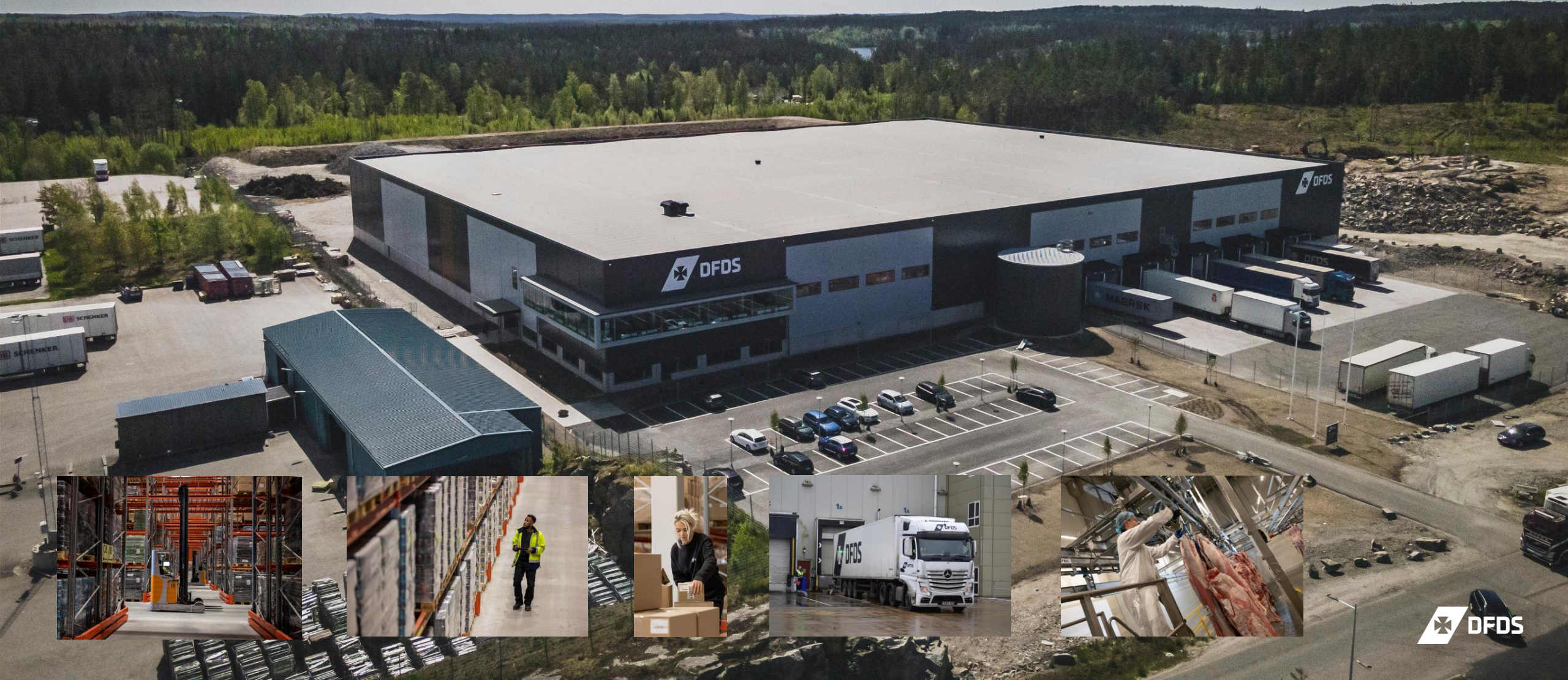
Roll on, roll off – freight ferry business model



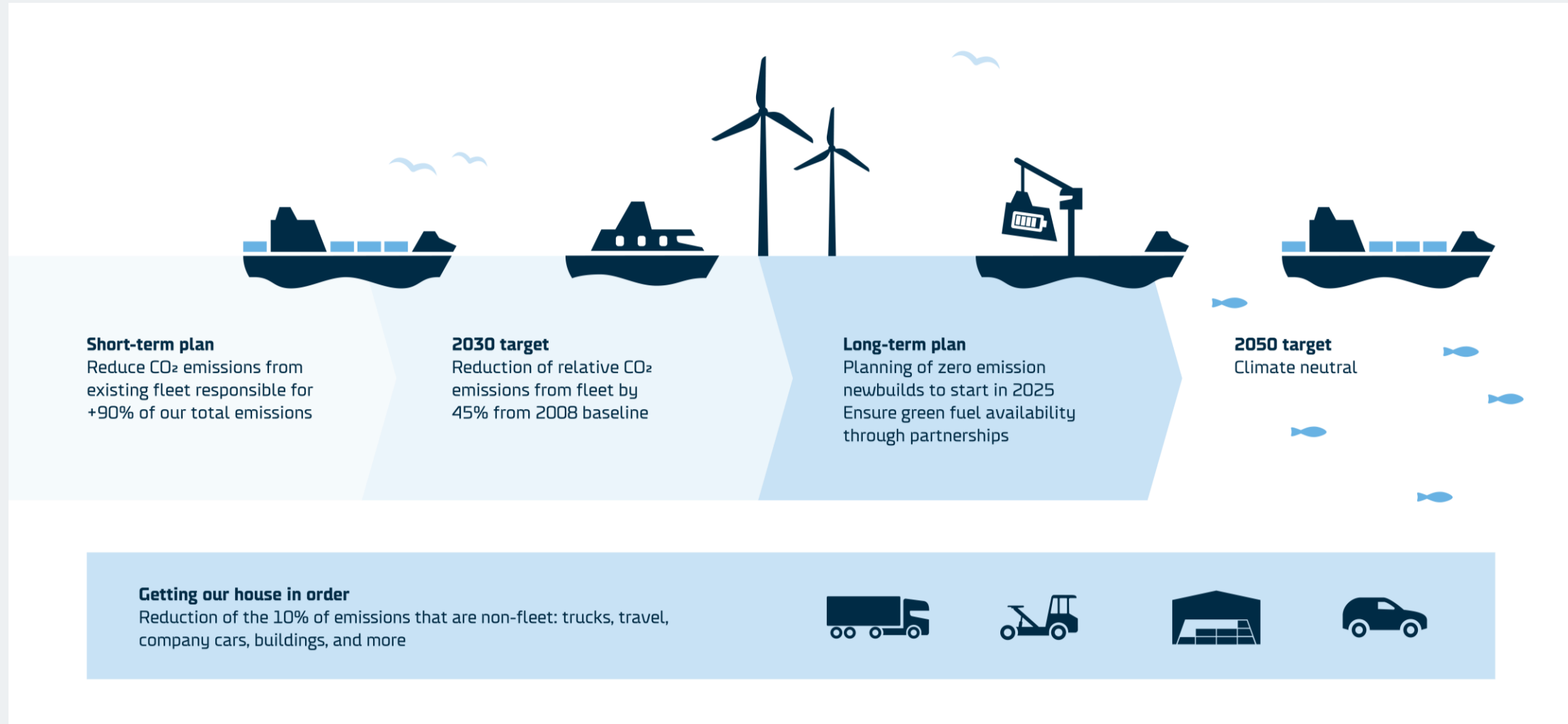
- Ro-ro/ro-pax shipping: roll on, roll off of freight units and passenger cars
- Routes carry both unaccompanied and accompanied trailers
- Our largest freight ferries can carry 450 trailers equal to 6.5 km of deck length



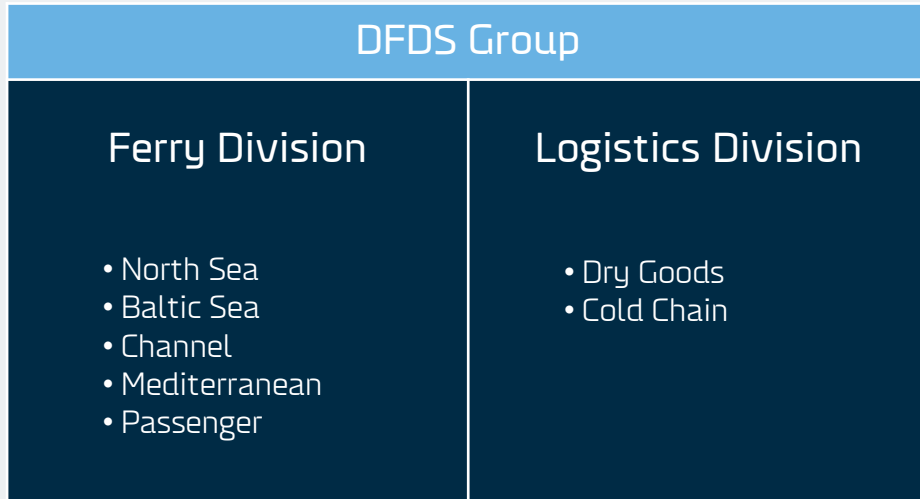
Logistics – dry and cold chain solutions



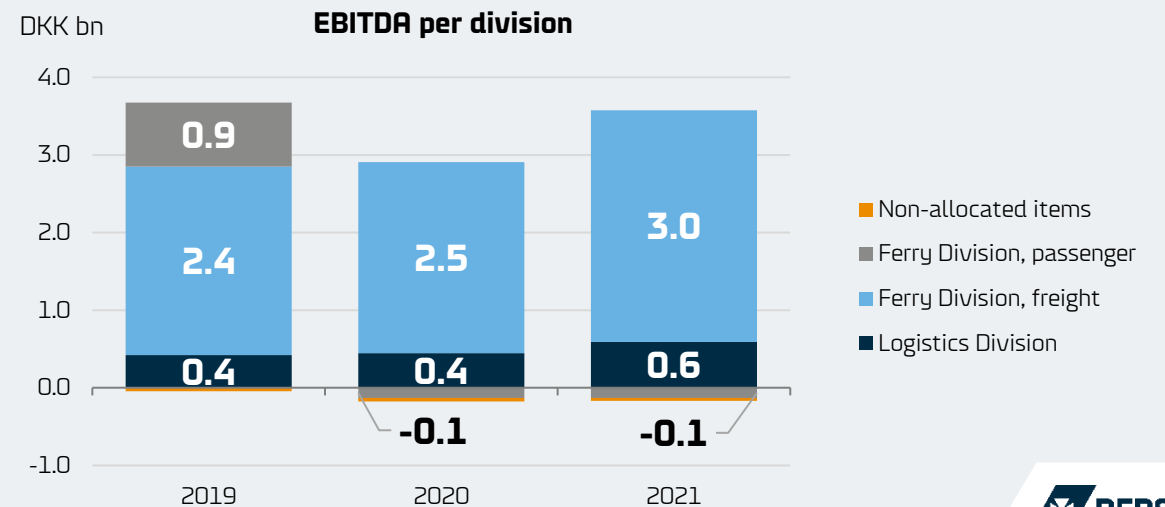
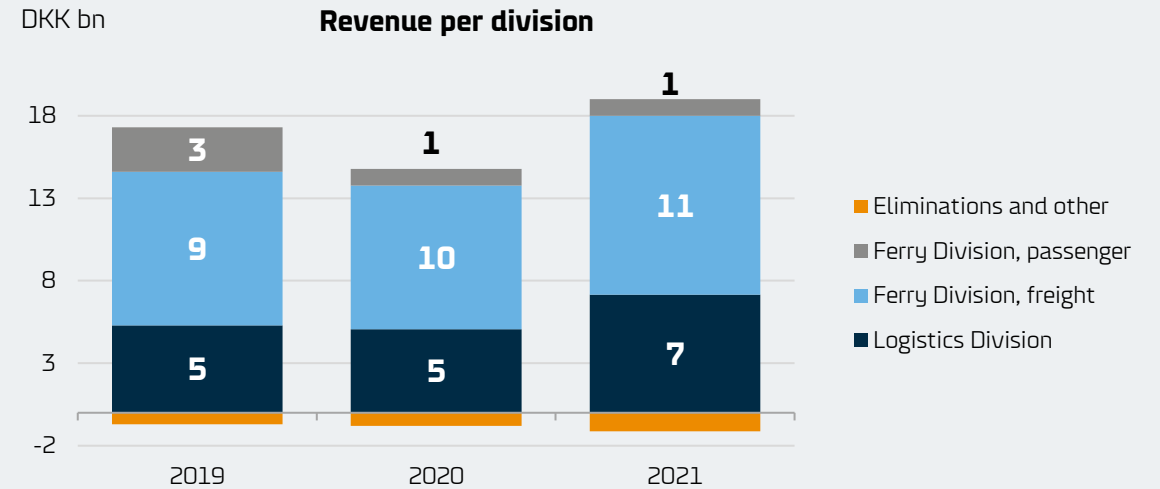
DFDS Climate Action Plan – climate neutral in 2050



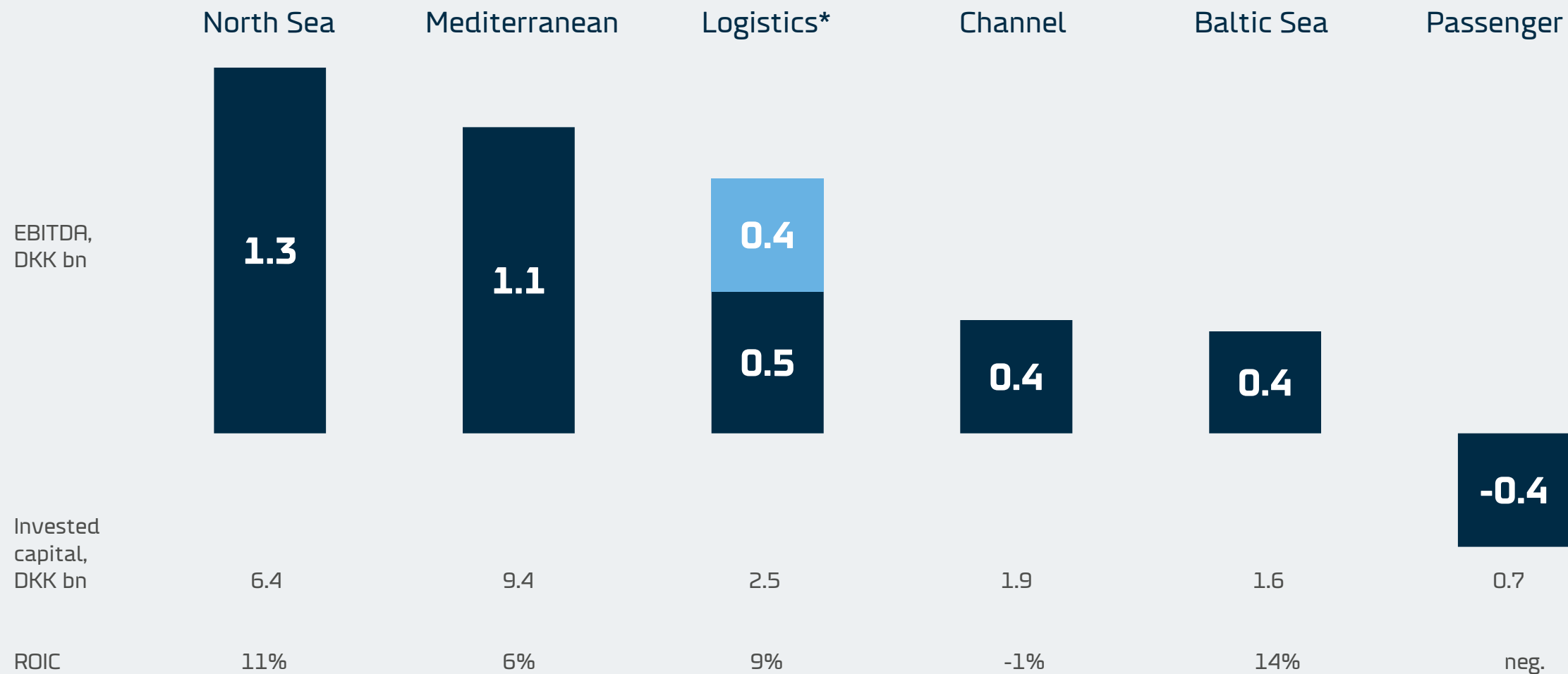
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Business units – EBITDA, invested capital and ROIC, 2021



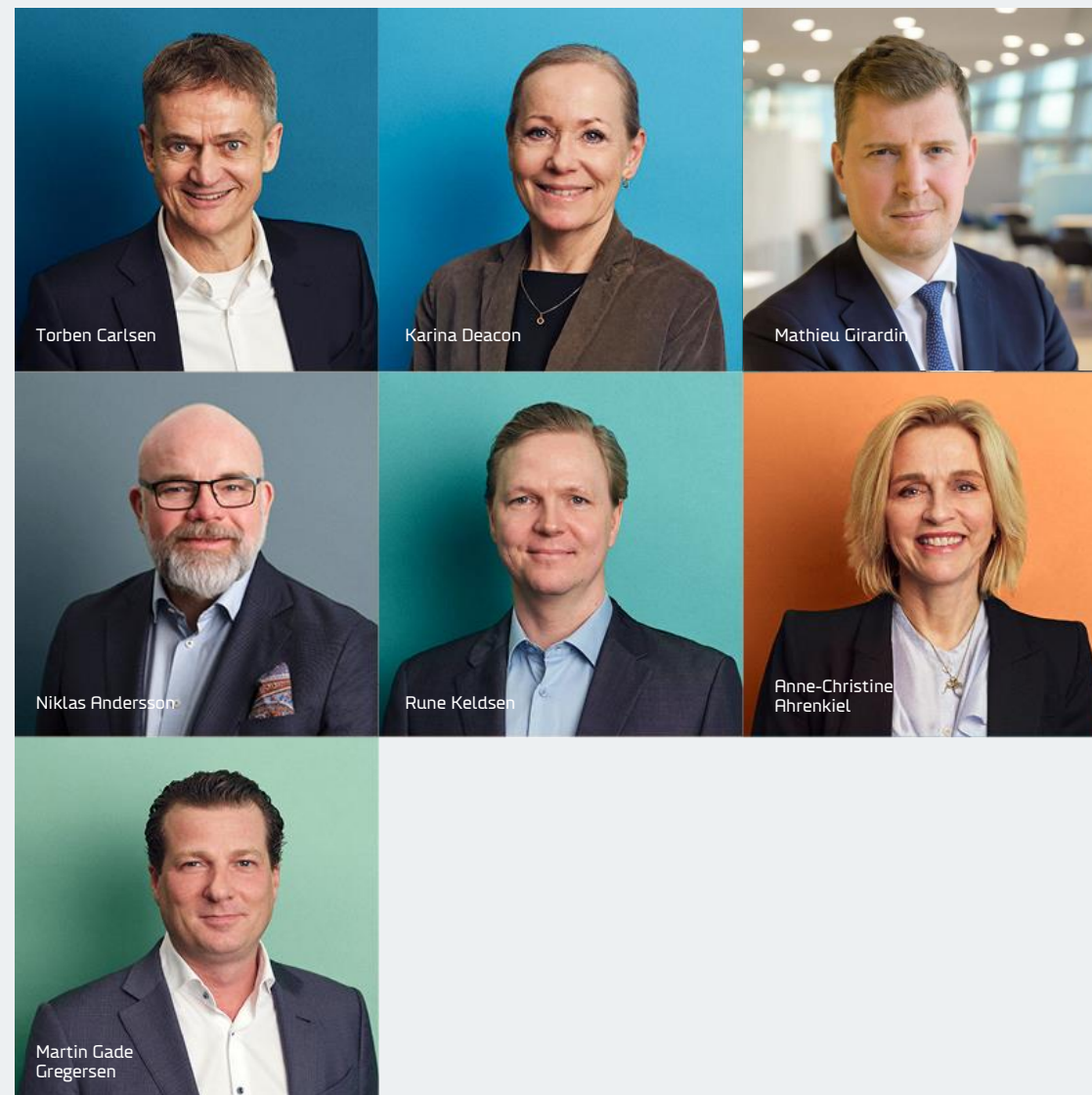
Executive Management Team (EMT)

Executive Board:

- Torben Carlsen, CEO
- Karina Deacon, CFO

Extended management team:

- Mathieu Girardin, Head of Ferry Division*
- Niklas Andersson, Head of Logistics Division
- Martin Gade Gregersen, Co-Head of Logistics Division
- Anne-Christine Ahrenkiel, Chief People Officer
- Rune Keldsen, Chief Technology Officer



* From October 2022