

MEDITERRANEAN EXPANSION

Acquisition of U.N. Ro-Ro

12 April 2018

AGENDA

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KEY STRATEGIC RATIONALE FOR DFDS' ACQUISITION OF U.N. RO-RO

- Expansion of **route network** to include **high growth region** increasing market diversification
- **Leading operator** of freight ferry routes with strong market position connecting EU and Turkey
- Similarities in business model and fleet create **opportunities for synergies**
- Increased **flexibility of fleet deployment** in route network as well as synergies in vessel investments
- **Highly profitable** company with 42% EBITDA margin in 2017
- Earnings **enhancing and accretive** from the first year



TRANSACTION OVERVIEW

Purchase Price

- DFDS will acquire 98.8% of U.N. Ro-Ro on a debt free basis of EUR 950m
- 9.8x 2018E EV/EBITDA compares favorably to recent industry transactions

Financing

- Committed term loan financing
- Share issue of DKK 1.0bn with Lauritzen Foundation participating pro-rata
- Share buyback and planned dividend cancelled
- NIBD/EBITDA expected to increase to around 2.5x

Approvals/ Closing

- The transaction is subject to customary approvals, including approvals from all the relevant competition authorities
- The transaction is expected to close in June 2018



OVERVIEW OF U.N. RO-RO

WE ARE ACQUIRING A LEADING FERRY FREIGHT OPERATOR IN THE MEDITERRANEAN

Business overview

- Established in 1994, U.N. Ro-Ro is the **#1 Ro-Ro operator in Turkey** in terms of market share, number and capacity of vessels
- The company has a **33% market share of Turkey-Europe exports**, twice that of the next competitor
- The company operates **5 routes** between Turkey and France/Italy with a fleet of **12 modern Ro-Ro vessels**
- U.N. Ro-Ro's operation is based on an **intermodal setup**, combining land, sea and railways for trucks
- The Company caters to the **international transport companies, importers and exporters** in Turkey

Business is **EUR denominated**, minimising exposure to the volatility in Turkish Lira

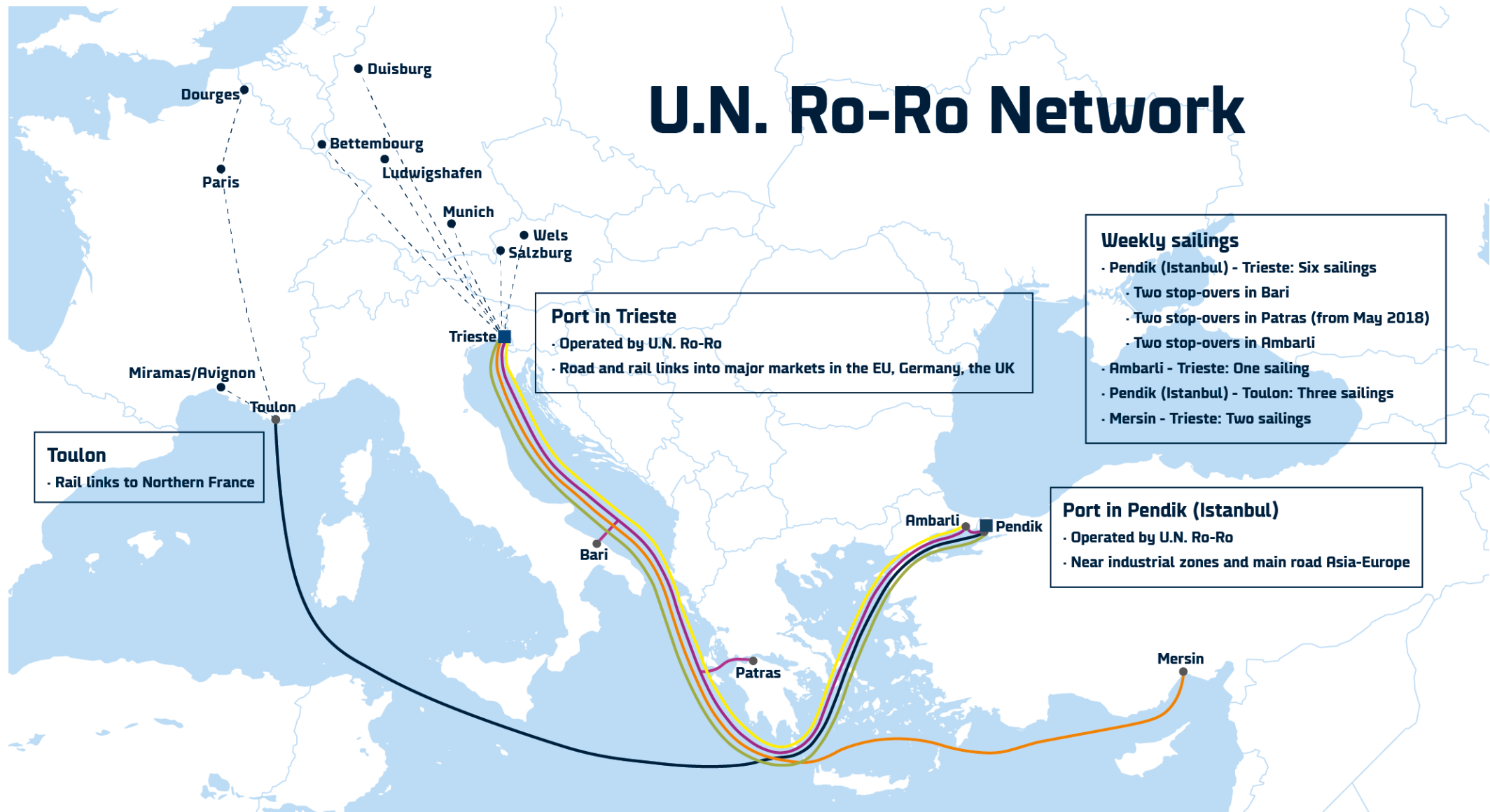
Key statistics

Vessels	12 (total capacity of 45.4km lanemeters)
Ports	Owns Pendik and Trieste Port ⁽¹⁾ , operates in Ambarli, Toulon, Mersin and Bari
Fleet age	11 years
Market share	33% between Turkey and EU

P&L (€m)	2014A	2015A	2016A	2017A
Total Revenues	195,1	192,8	185,2	224,7
EBITDA	72,9	84,4	81,2	94,3
<i>Margin</i>	<i>37%</i>	<i>44%</i>	<i>44%</i>	<i>42%</i>
EBIT	31,2	46,2	47,0	66,6
<i>Margin</i>	<i>16%</i>	<i>24%</i>	<i>25%</i>	<i>30%</i>

- In 2013 the largest customer (EKOL Logistics) started own ro-ro service and switched all its captive cargo to own ships
- Slight underperformance in 2016 due to two engine break-downs

INTERESTING AND GROWING INTERMODAL NETWORK INTO EUROPE



(1) U.N. Ro-Ro owns 60% of Port of Trieste's operator (Samer Seaports Company), owns the company that has the concession agreement

(2) Pendik port is fully owned

Source: U.N. Ro-Ro

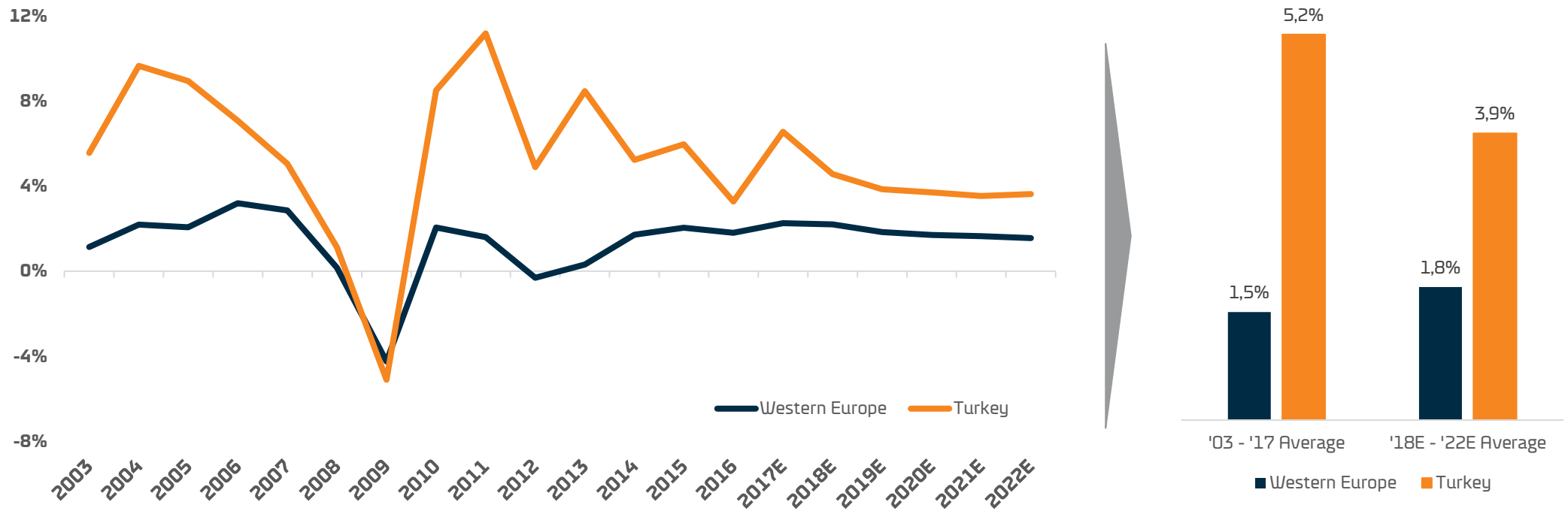


TURKEY MACRO PERSPECTIVES

ATTRACTIVE GROWTH PROFILE DESPITE PAST POLITICAL VOLATILITY

Turkey vs Western Europe real GDP growth

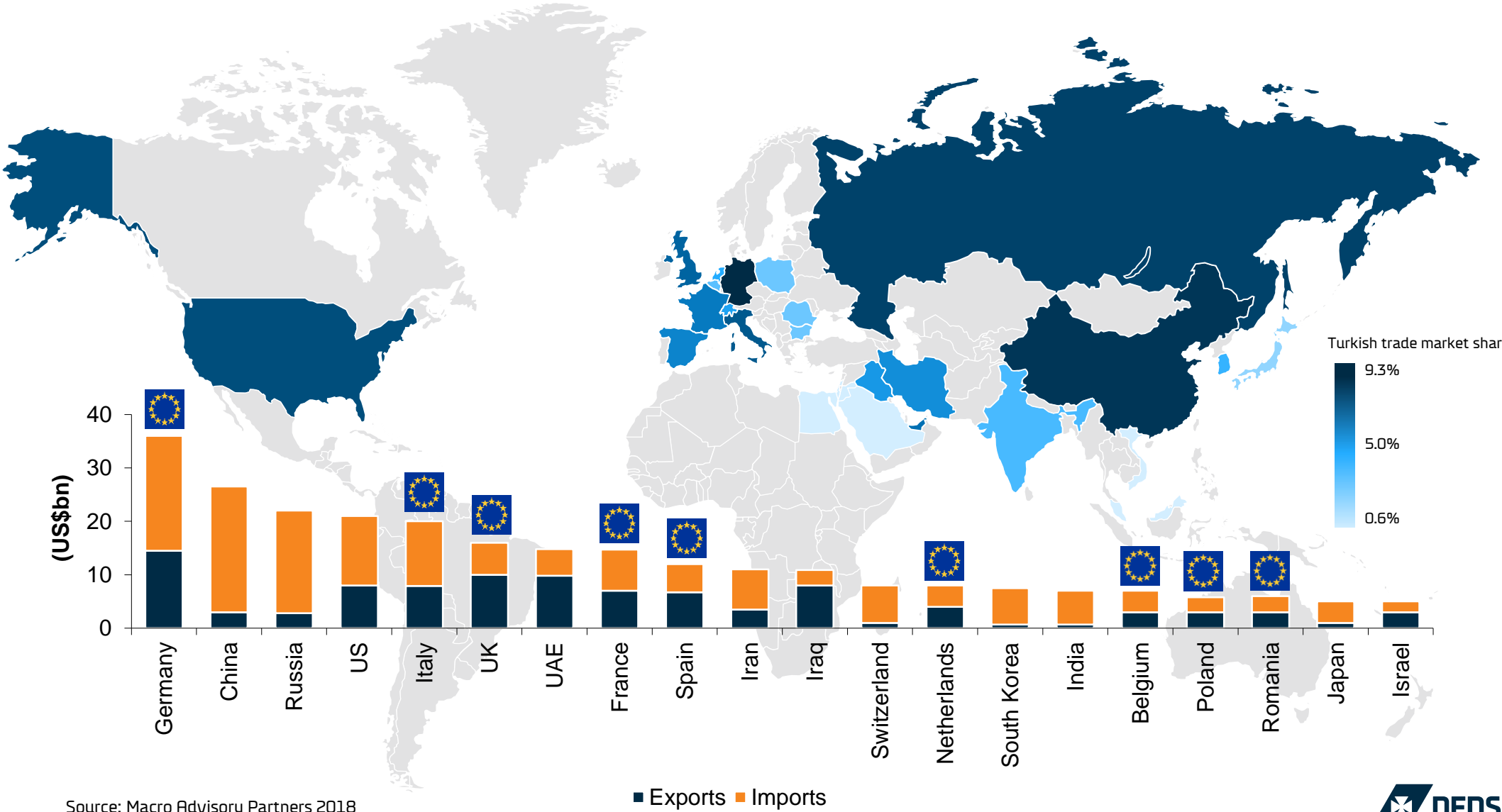
- Turkey is among the world's **top 20 economies** with a population of 81m
- **Turkey is a high-growth market**, average historical real GDP growth of 5.2% vs 1.5% for Western Europe
- **Expected to grow ~4%** on average over the coming years vs. 1.8% for Western Europe



Source: Global Insight as of 15 March 2018

EU IS IMPORTANT AND BALANCED TRADE PARTNER WITH TURKEY

Turkey's top trade partners (2017)

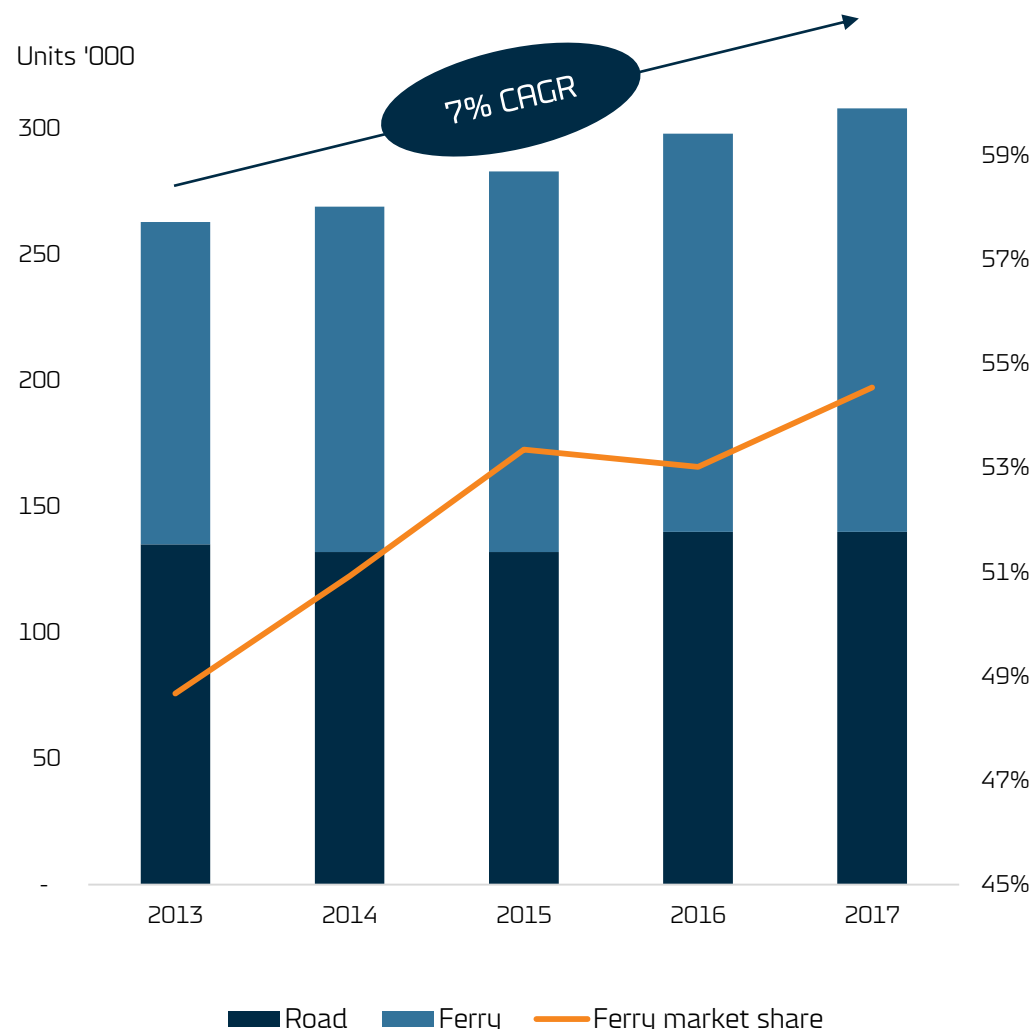


LAND TO SEA CONVERSION DRIVES ADDITIONAL RO-RO VOLUMES

Key highlights

- 308k freight units exported from Turkey to Europe in 2017 by road and ferry double of 2007 volume
- Ferry expected to continue to gain market share vs. road in coming years due to
 - Transit time and costs
 - Border crossings and customs formalities
 - Security issues
 - Permit and visa issues
 - Limited investments in road infrastructure
 - Congestion
- Ferry's share of total market increased from 49% in 2013 to 55% in 2017
- U.N. Ro-Ro share of ferry segment was 61% in 2017**

Export freight from Turkey to Europe



GEOGRAPHIC NETWORK EXPANSION WITH SYNERGIES



Sales growth	<ul style="list-style-type: none">▪ Land conversion and organic market growth▪ Additional capacity driving additional volumes and lower unit costs
Customer and sales	<ul style="list-style-type: none">▪ Intermodal solutions offering synergy opportunities to existing DFDS network▪ Wider network and range of services to existing customers▪ Strong base for business development in adjacent markets
Enhanced fleet flexibility	<ul style="list-style-type: none">▪ Flexibility of vessel deployment on both new and existing routes▪ New DFDS vessel design optimal for U.N. Ro-Ro capacity expansion
Operational synergies	<ul style="list-style-type: none">▪ Integration of Mediterranean activities▪ Integration into DFDS core operating systems▪ Sales agency and back-office system integration
Financial impact	<ul style="list-style-type: none">▪ EBITDA in 2017 of EUR 94m expected to increase by EUR 30m in 2021



FINANCIAL HIGHLIGHTS

DFDS AND U.N. RO-RO COMBINED

The acquisition of U.N. Ro-Ro will provide a substantial addition to The DFDS Group's key metrics

					Combined (pro forma)
<i>DKK million⁽¹⁾</i>					
2017 revenue	14,328	+	1,673	=	16,001 (+12%)
2017 EBITDA	2,702	+	702	=	3,404 (+26%)
# of employees	7,235	+	500	=	7,735 (+7%)
# of vessels	64	+	12	=	76 (+19%)

(1) For illustrative purposes only. Based on an EURDKK exchange rate of 7.45
Source: Company filings

INVESTMENTS FORESEEN TO FACILITATE U.N. RO-RO GROWTH

2 vessel lengthenings in 2018 to increase capacity



Scrubber investments to comply with 2020 IMO legislation



Expansion of current terminals to accommodate growing volumes



Fleet renewal to increase efficiency and capacity



REVISED OUTLOOK FOR 2018⁽¹⁾

- **Revenue** for the full year 2018 is expected to **grow by 8% (2%)**
- **EBITDA** before special items is expected to increase to **DKK 3,000–3,200m (2,650-2850m)**
- **Investments of DKK 5bn (1.1bn)**



FINANCING STRUCTURE IN LINE WITH CAPITAL STRUCTURE

Capital structure considerations

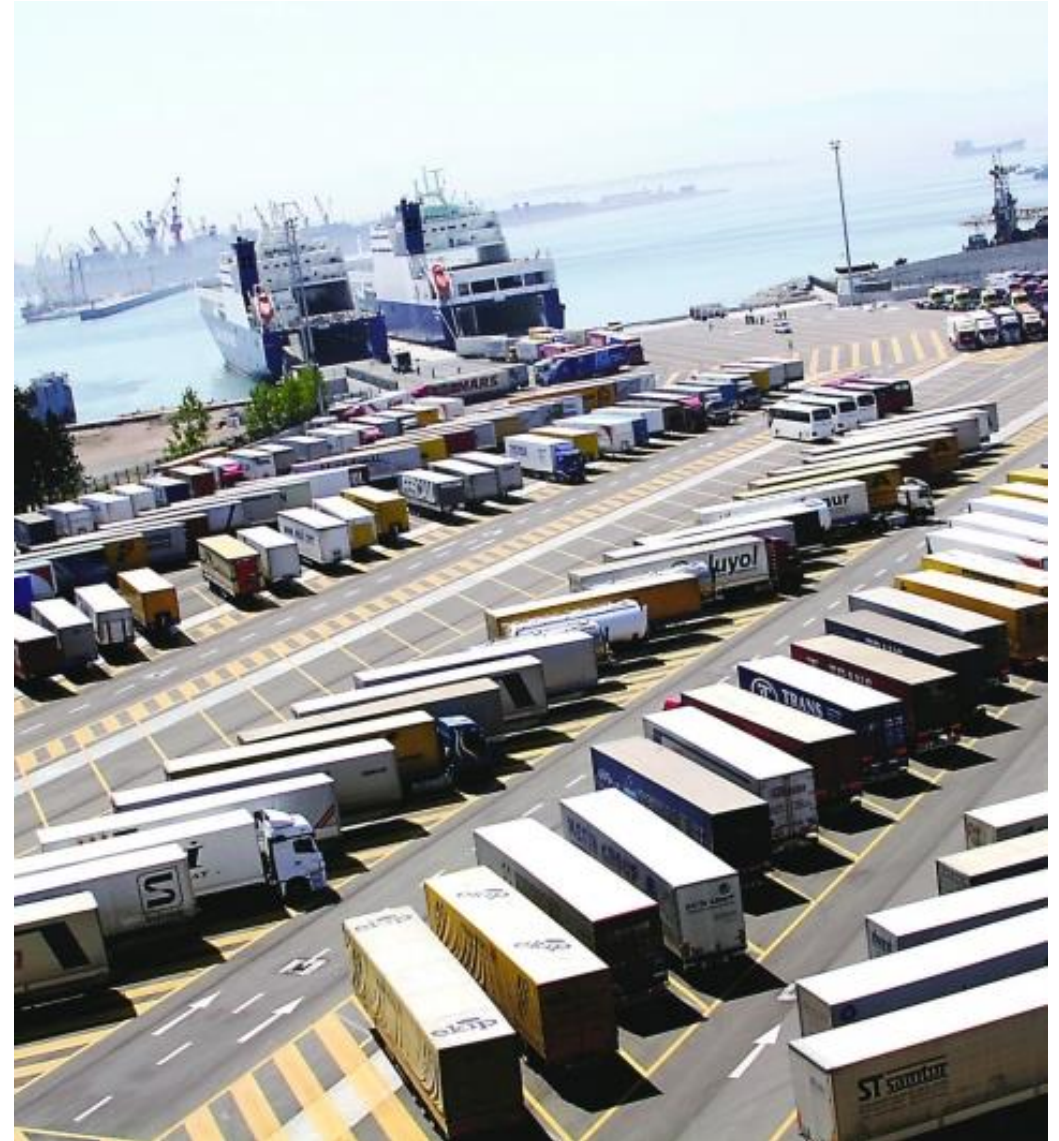
- Shareholder pay-out cancelled for rest of 2018
 - Cancel ongoing share buyback program
 - Suspend the planned DKK 7.00 dividend in August
- 5% share issue or DKK 1.0bn
- Lauritzen Foundation participates pro rata in the share issue
- Review of capital structure and hence capital distribution for 2019 in connection with the release of the Q4 and year-end report in February 2019
- NIBD/EBITDA of 2.5x upon completion of the acquisition

Acquisition financing

- DFDS existing banks have committed Term loan financing of the transaction
- EUR 480m loans in U.N. Ro-Ro with U.N. Ro-Ro vessel mortgage
- EUR 370m unsecured acquisition facility

SUMMARY: MEDITERRANEAN EXPANSION THROUGH U.N. RO-RO

- ✓ Access to attractive and growing Ro-Ro market including platform for further expansion
- ✓ Highly profitable operator with strong management and market position
- ✓ Expands DFDS' customer proposition
- ✓ Opportunity to apply DFDS' capabilities to further develop U.N. Ro-Ro
- ✓ Increased fleet deployment flexibility
- ✓ Earnings enhancing and value accretive acquisition
- ✓ Maintaining our financial flexibility



Q&A: MEDITERRANEAN EXPANSION THROUGH U.N. RO-RO



PHYSICAL INVESTOR PRESENTATION

There will be held a physical investor presentation in relation to the announced transaction.

This investor presentation will take place today, Thursday 12th April.

Time and location:

- 2:00-3:00 PM CET at Hotel D'Angleterre, Kongens Nytorv 34, 1050 Copenhagen

To attend this investor presentation, please register with:

- Marie Fronda
- Email: marie.frona@db.com
- Tel: +46 (8) 46 35 513
- Mob: +46 70 654 64 37

Kindly note that the investor presentation will only be held physically with no option of dial-in and that it is to be held for the financial community only.