

GROWTH CONTINUES BUT BREXIT LOWERS PACE

DFDS GROUP
Q2 2019



13 August 2019

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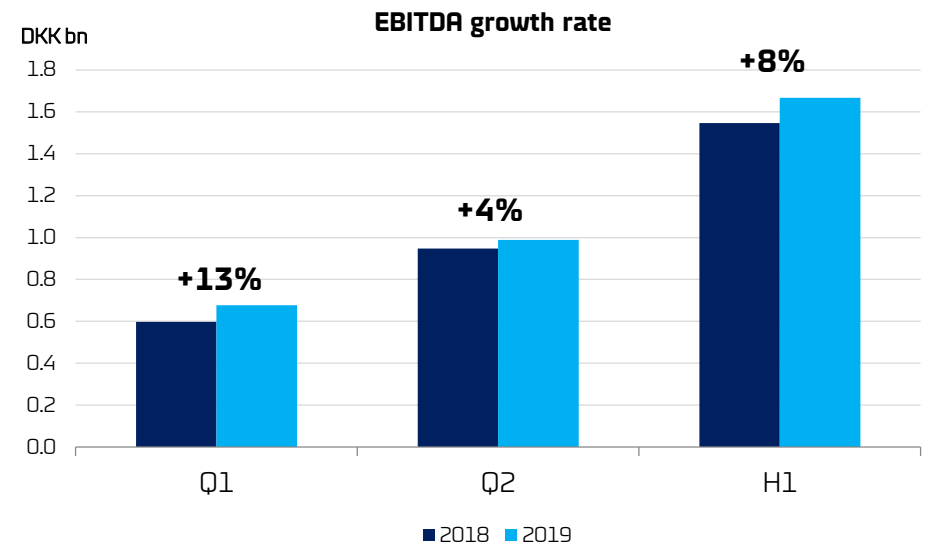
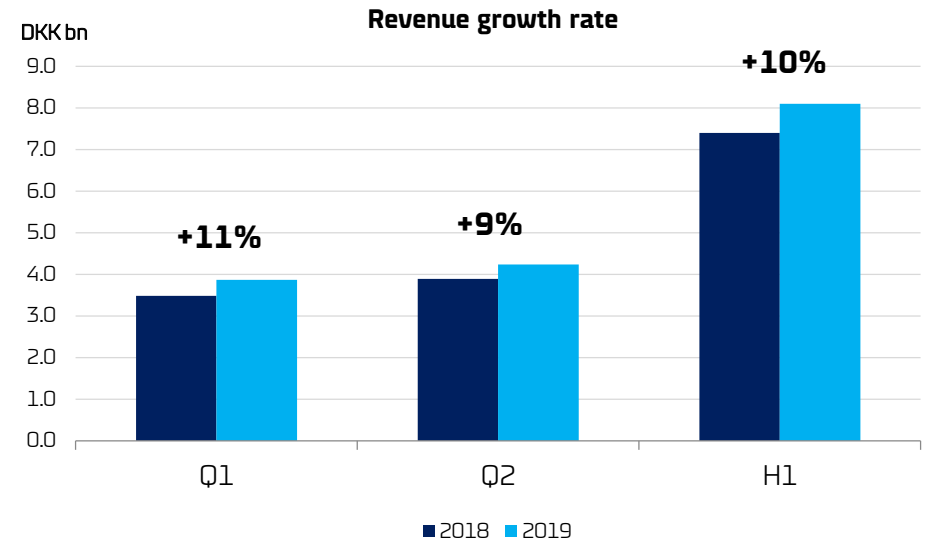
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The statements about the future in this announcement contain risks and uncertainties.
This entails that actual developments may diverge significantly from statements about the future.

All figures in this presentation are reported according to IFRS 16. 2018 figures are pro forma and unaudited.

Growth lowered by exceptional Brexit uncertainty

- **Q2** revenue up 9% to DKK 4.2bn; EBITDA up 4% to DKK 989m
- **H1** revenue up 10% to DKK 8.1bn; EBITDA up 8% to DKK 1.7bn
- Negative impact in Q2 from reversal of UK **stockpiling** in Q1
- **UK trade** currently lowered by Brexit uncertainty
- **Earnings outlook lowered ~6%:** EBITDA of DKK 3.5-3.8bn (previously DKK 3.8-4.0bn), (2018: DKK 3.6bn)



5 key DFDS performance drivers 2019 face some headwind

1. Growth benefits from **Mediterranean** expansion: Full-year UNRR impact and expanded cooperation with Ekol Logistics
2. Well prepared for **Brexit**
3. Route network to be strengthened by three new **freight ferries**
4. **Digital** business projects go live
5. Improvement and efficiency **projects** expected to support earnings with DKK 100m

New route: Gothenburg-Zeebrugge

Turkish recession and fast capacity ramp-up creates earnings headwind

Some customers not prepared for 'no-deal'

Deliveries and operation progressing as planned

Emphasis on increased awareness and bookings

All projects on track

EBITDA-margin lowered by stockpiling reversal in Q2

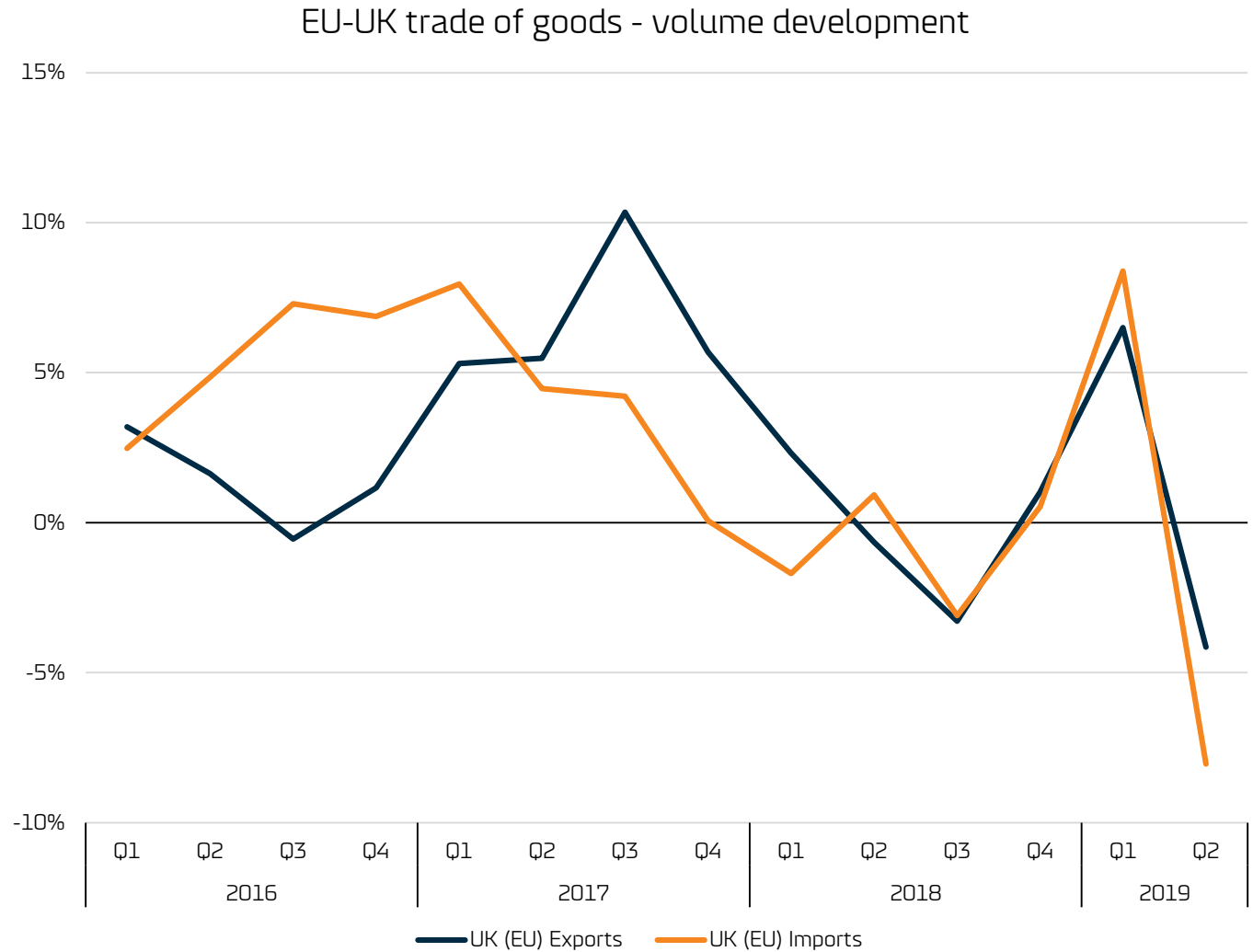
- **Revenue** growth of 9% driven by Mediterranean
- **Margin** reduced by lower freight volumes from reversal of Q1 UK stockpiling
- **EBITDA** increase driven by Mediterranean FY impact and higher passenger earnings
- **Depreciations** up DKK 50m mainly due to Mediterranean FY impact
- **ROIC** now fully reflecting Mediterranean impact

DKK m	Q2 19	Q2 18	Change vs LY	Change %
REVENUE	4,241	3,894	347	9%
EBITDA BEFORE SI	989	948	41	4%
margin, %	23.3	24.3	-1.0	n.a.
P/L associates	6	1	5	n.a.
Gain/loss asset sales	0	2	-2	n.a.
Depreciations	-455	-405	-50	-12%
EBIT BEFORE SI	541	546	-5	-1%
margin, %	12.8	14.0	-1.3	n.a.
Special items	-29	-63	34	n.a.
EBIT	512	483	29	6%
Finance	-56	-52	-4	-7%
PBT BEFORE SI	486	494	-8	-2%
PBT	456	431	26	6%
EMPLOYEES avg., no.	8,395	7,919	476	6%
INVESTED CAPITAL	21,369	18,838	2,531	13%
ROIC LTM ex. SI, %	9.4	14.2	-4.8	n.a.
NIBD	11,859	10,951	908	8%
NIBD/EBITDA, times	3.2	3.2	0.0	n.a.
SOLVENCY, %	36	32	4	n.a.

SI: Special items. PBT: Profit before tax. NIBD: Net interest-bearing debt.

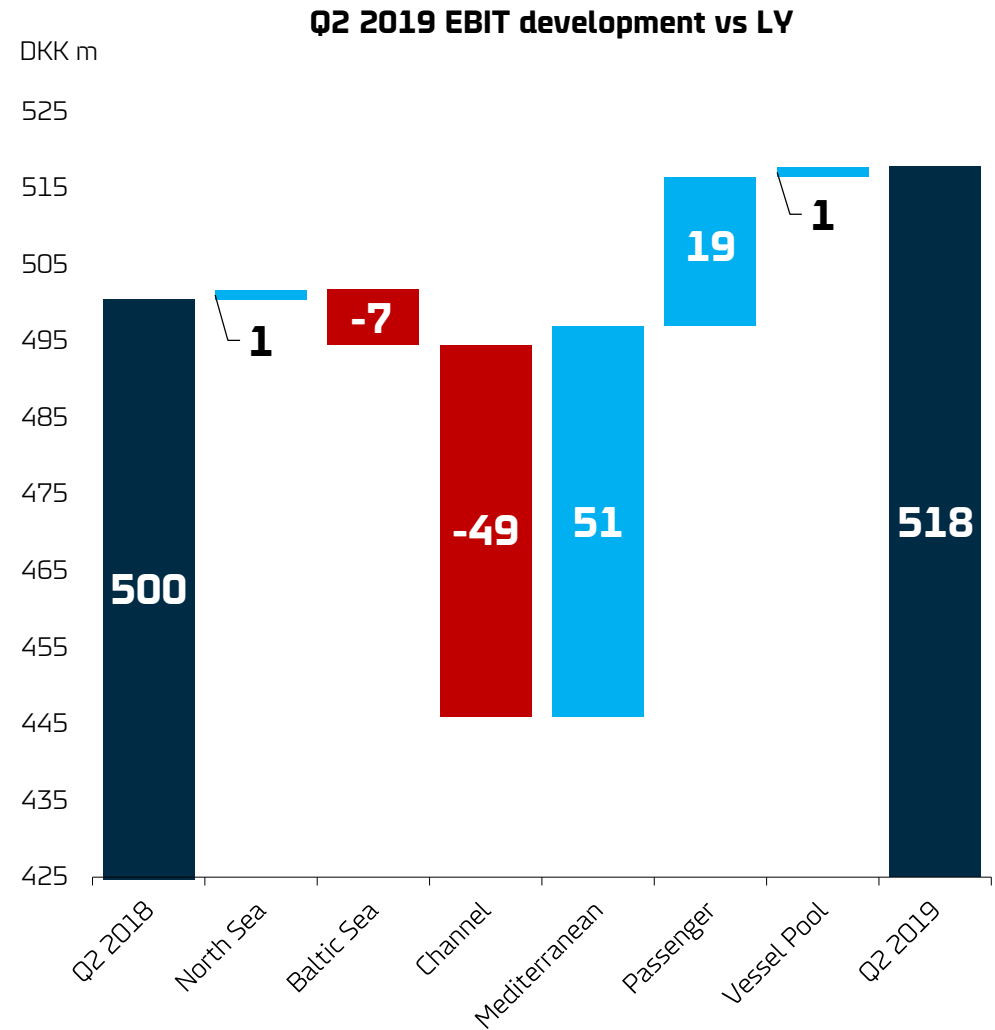
UK trade lowered by reversal in Q2 of Q1 stockpiling

- Q1 trade boosted by UK stockpiling
- Reversal of stockpiling in Q2



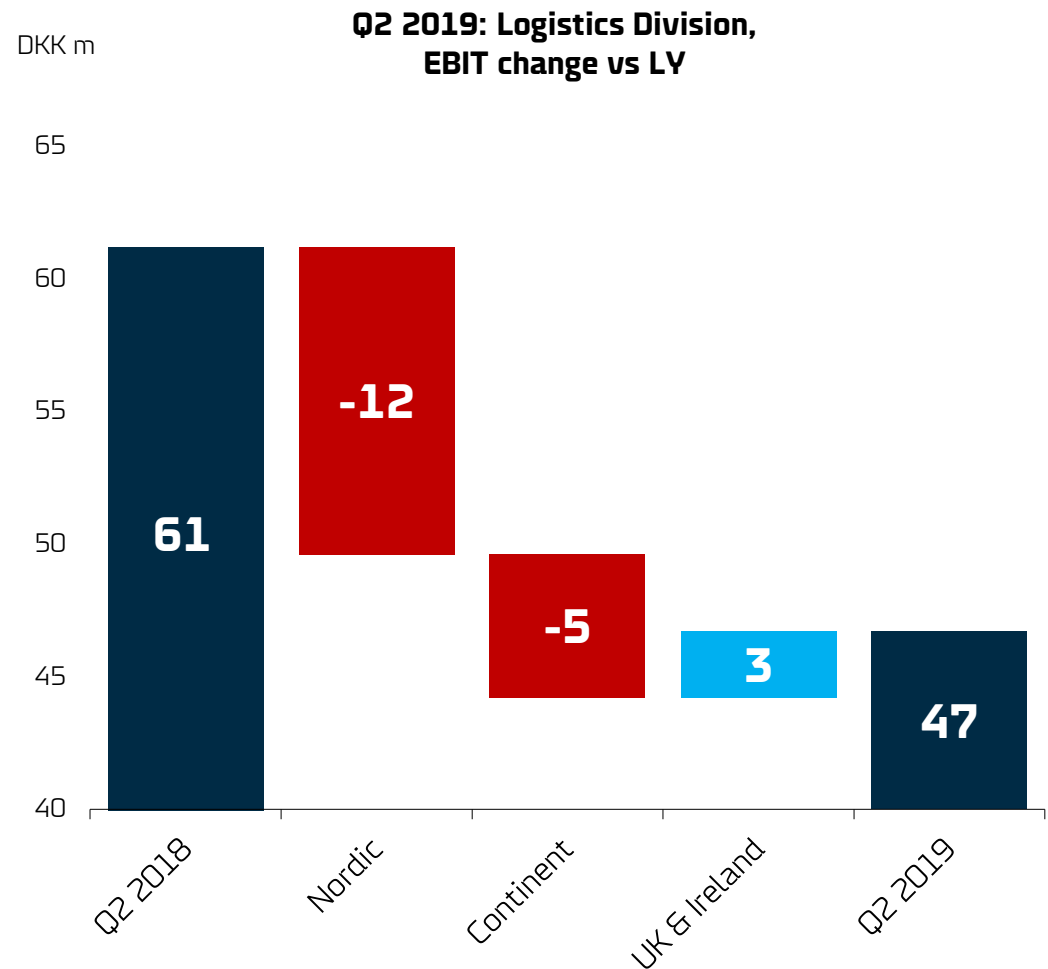
Ferry Division – EBIT up 3% to DKK 518m

- **North Sea +1m:** Lower volumes from mainly UK stockpiling reversal. Mitigation from DfT agreement
- **Baltic Sea -7m:** Lower freight earnings partly offset by improved pax performance
- **Channel -49:** Lower freight volumes and slowdown in pax market. Market shares reduced in both markets
- **Mediterranean +51m:** FY positive impact
- **Passenger +19m:** Positive Easter impact and continued growth in Q2



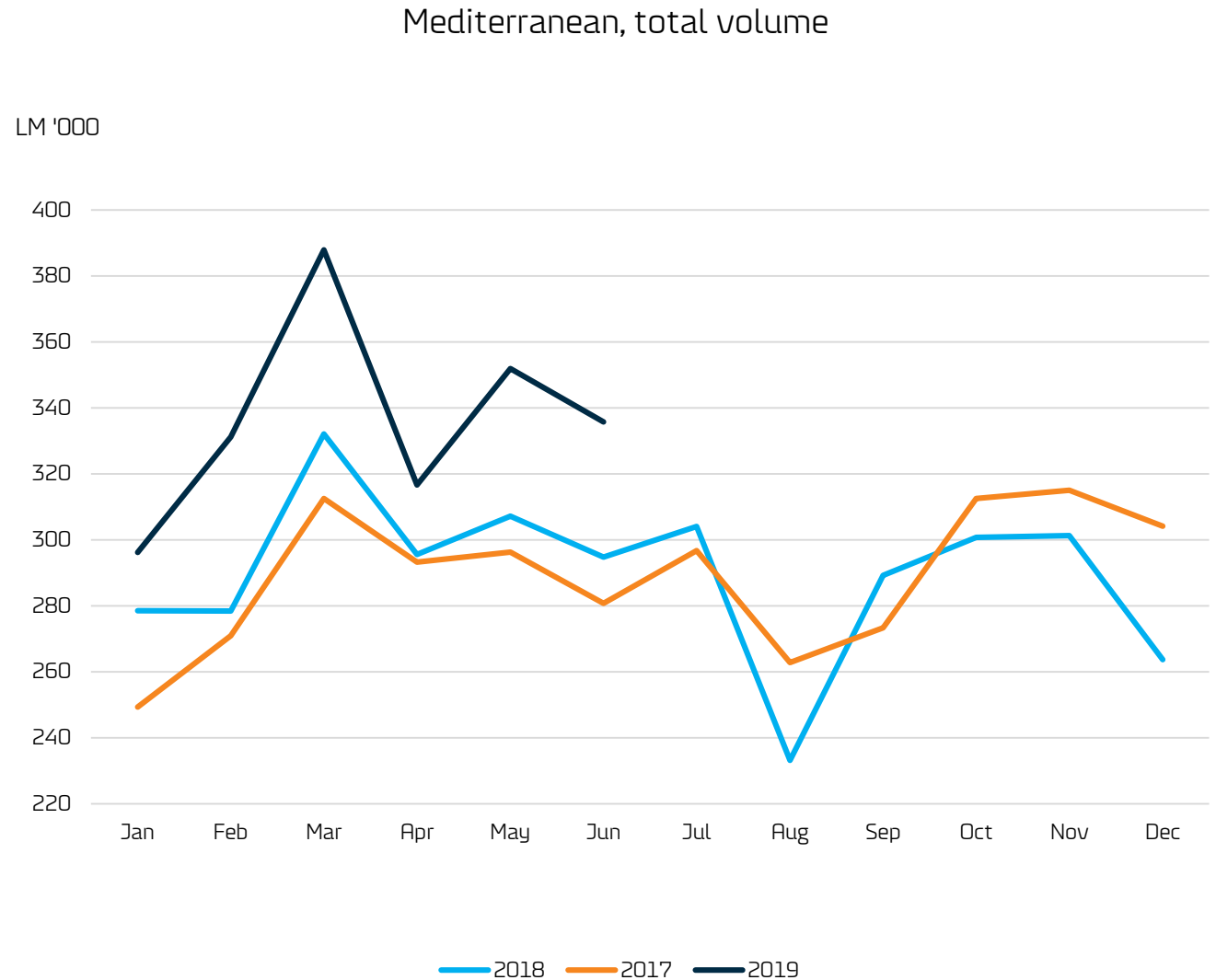
Logistics Division – EBIT down DKK 14m to DKK 47m

- **Nordic -12m:** Negative impact from reversal of UK stockpiling. Lower activity due to high volumes for large logistics contract in Q2 2018
- **Continent -4m:** Negative impact from reversal of UK stockpiling
- **UK & Ireland +3m:** Improved performance in most areas but import volumes lower



Mediterranean volumes boosted by Ekol agreement

- Q2* volumes up 12% and H1 volumes up 13%
- Istanbul-Trieste volume growth in line with expectations for H1

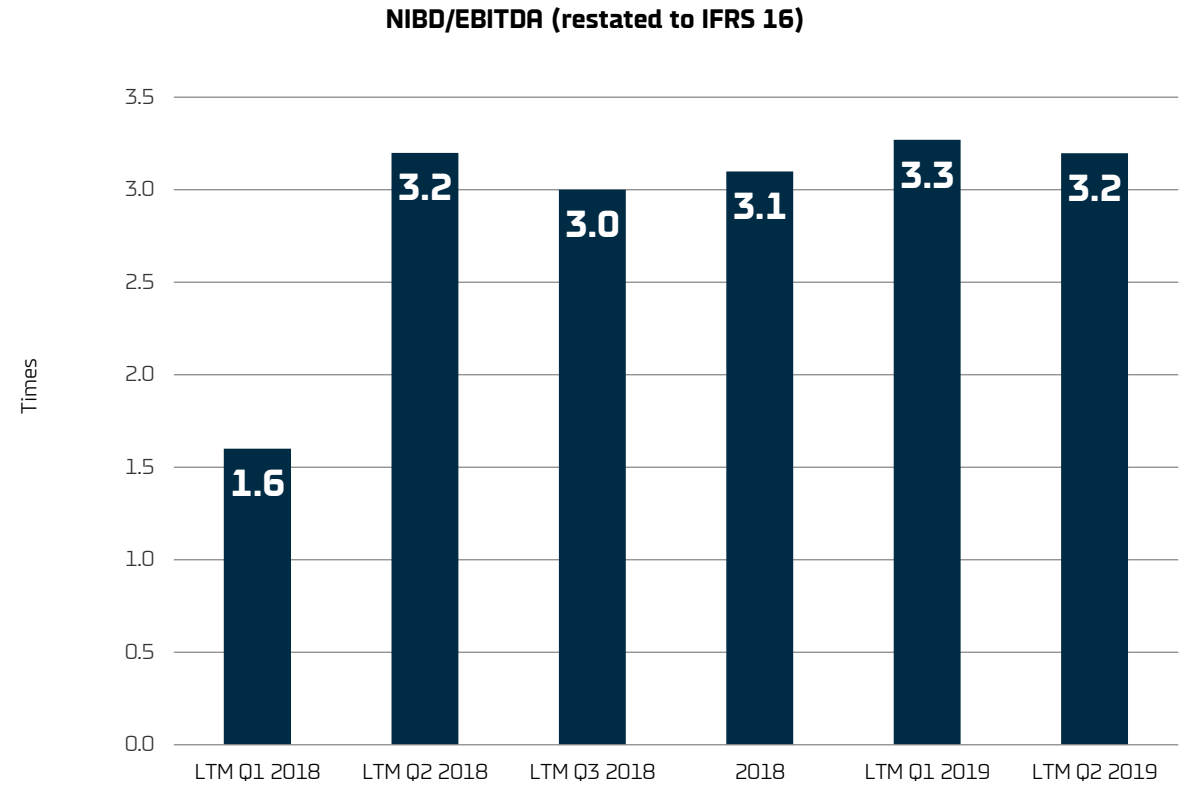


New route Istanbul-Sète from July 2019

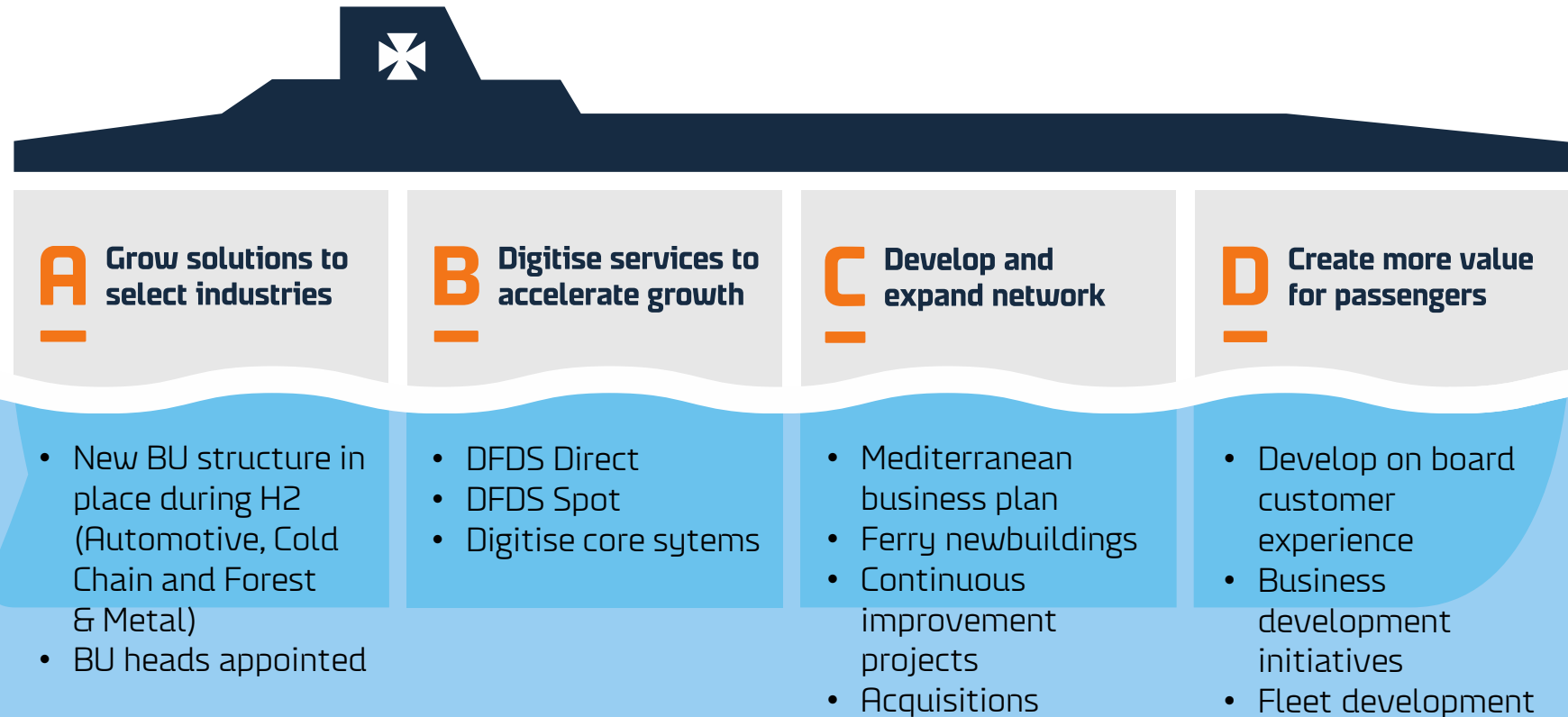


Capital structure

- **NIBD/EBITDA**-multiple was 3.2x end of Q2 2019



WIN23 strategy - 4 strategic pillars to drive growth next 5 years



Brexit uncertainty lowers revenue and earnings outlook

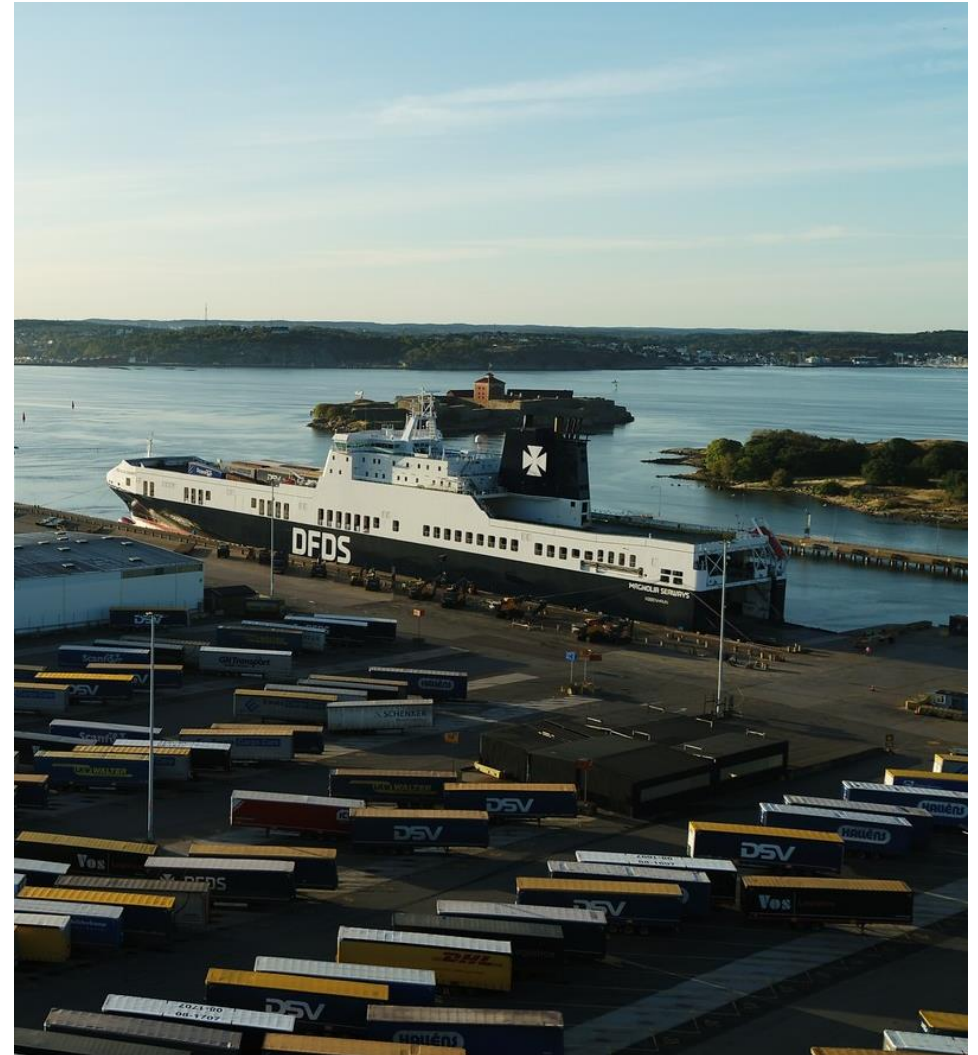
- UK trade slowdown continuing beyond Q2
- Brexit outcome currently unpredictable
- New round of UK stockpiling may occur in Sept/Oct
- Revenue growth lowered to 6-8%
- EBITDA lowered 6%

OUTLOOK 2019

- Revenue growth of 6-8%
(previously 10-12%)
- EBITDA range of DKK 3.5-3.8bn
(previously DKK 3.8-4.0bn)
 - Ferry Division: DKK 3,150-3,400m
(previously DKK 3,425-3,600m)
 - Logistics Division: DKK 400-450m
(2018: DKK 431m)
 - Non-allocated items: DKK -50m
(2018: DKK -21m)
- Investments of DKK 2.8bn

Priorities 2019 – adapting to market changes

- Continue **Brexit** preparations
- Optimise **Mediterranean** capacity utilization
- Develop **new routes**: Gothenburg-Zeebrugge and Istanbul-Sète
- Deliver on our 5 DFDS **performance** drivers
- **WIN23** – new strategic and financial ambitions – mobilization of organisation



Q&A

