

Solid growth in freight volumes

DFDS Group Q2 2021



17 August 2021





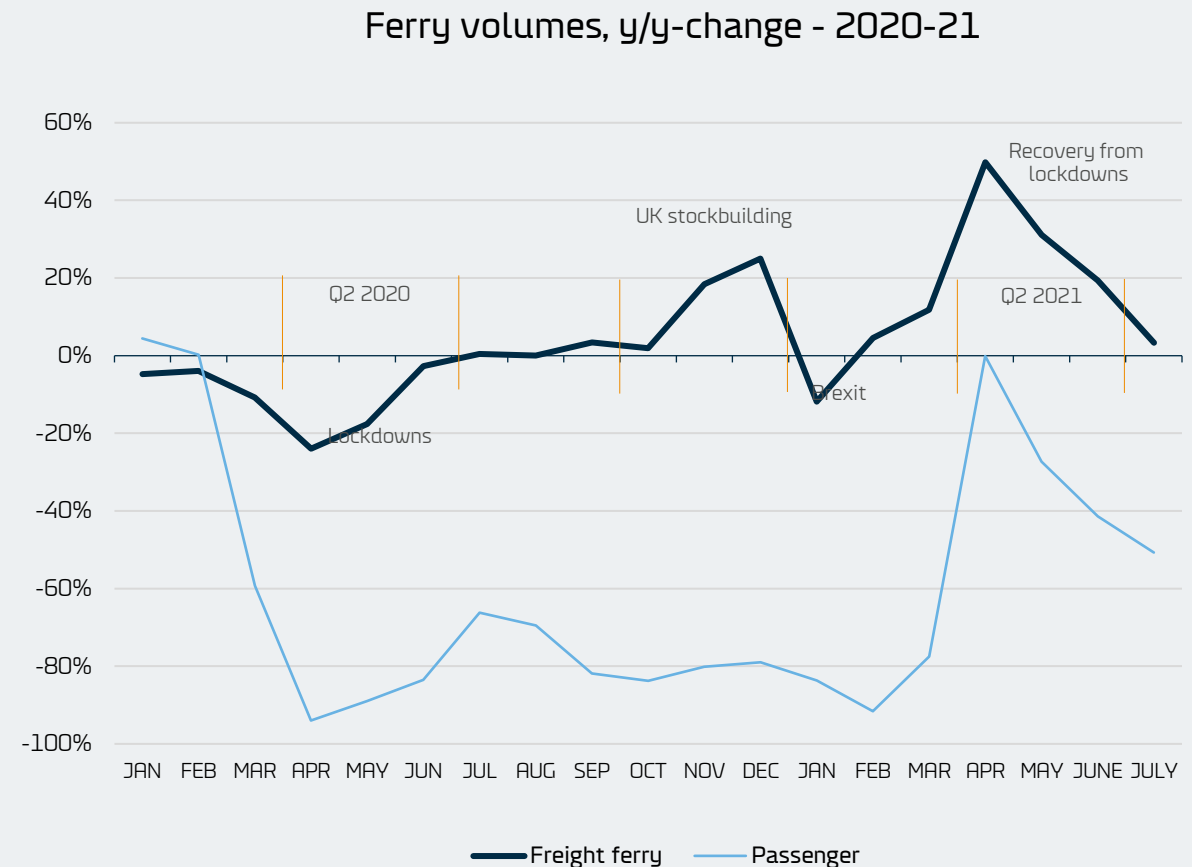
Content

- Q2 2021 overview
- Q2 numbers
- ESG-reporting
- Outlook 2021

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.

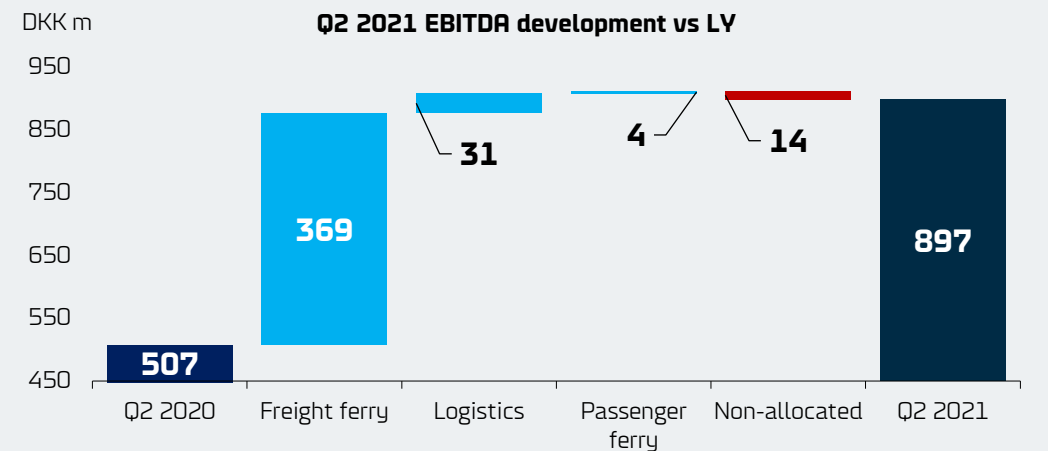
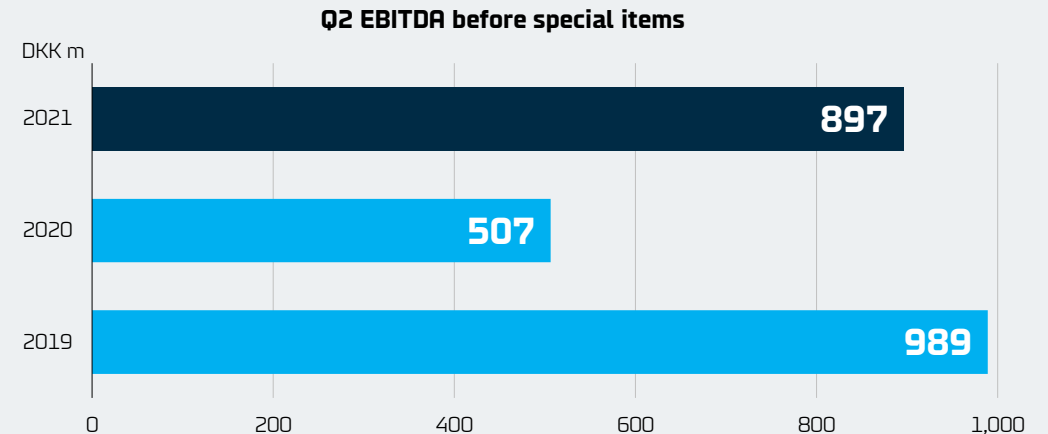
Strong freight performance offsets lag in passenger pickup

- **Significant recovery** of freight earnings from 2020-lockdowns
- **Mediterranean** continued strong performance
- **Positive impact** from new Irish route, UK DfT agreements and customs clearance
- **Passenger** volumes strongly impacted by travel restrictions in Q2



Q2 EBITDA: Freight ferry and logistics drive earnings growth

- **DFDS Group** revenue up 51% and EBITDA up DKK 390m or 77% vs 2020
- **Ferry freight** EBITDA up DKK 369m driven by Mediterranean, North Sea, DfT agreements and new Irish route
- **Logistics** EBITDA up DKK 31m mainly driven by the first half of Q2
- **Passenger** EBITDA up DKK 4m to DKK -70m driven by Channel and Baltic Sea



Q2 2021 income statement

- **Revenue** increase of 51% driven by freight recovery, new routes, DfT agreements and rise in bunker surcharges (BAF)
- **EBIT** up DKK 346m, including higher depreciation of DKK 43m mainly due to addition of chartered ferries for new routes
- **Special items** of DKK 12m mainly due to accounting gain on sale of Gothia Seaways

DFDS Group P/L DKK m	Q2 20	Q2 21	Δ	Δ
Revenue	2,798	4,213	1,415	51%
EBITDA*	507	897	390	77%
<i>Margin</i>	<i>18.1%</i>	<i>21.3%</i>	<i>3.2%</i>	
<i>Ferry Division</i>	<i>392</i>	<i>765</i>	<i>373</i>	<i>95%</i>
<i>Logistics Division</i>	<i>95</i>	<i>126</i>	<i>31</i>	<i>33%</i>
<i>Non-allocated</i>	<i>20</i>	<i>6</i>	<i>-14</i>	<i>n.a.</i>
P/L associates	-2	-2	0	n.a.
Gain/loss on assets	2	1	-1	-53%
Depreciation	-459	-502	-43	9%
EBIT*	48	393	346	726%
<i>Margin</i>	<i>11.6%</i>	<i>14.5%</i>	<i>2.9%</i>	
Finance	-80	-78	2	-2%
Profit before tax*	-33	315	348	-1066%
Tax	-3	-21	-18	665%
Profit after tax*	-35	294	329	-931%
Special items	43	12	-31	n.a.

*Before special items

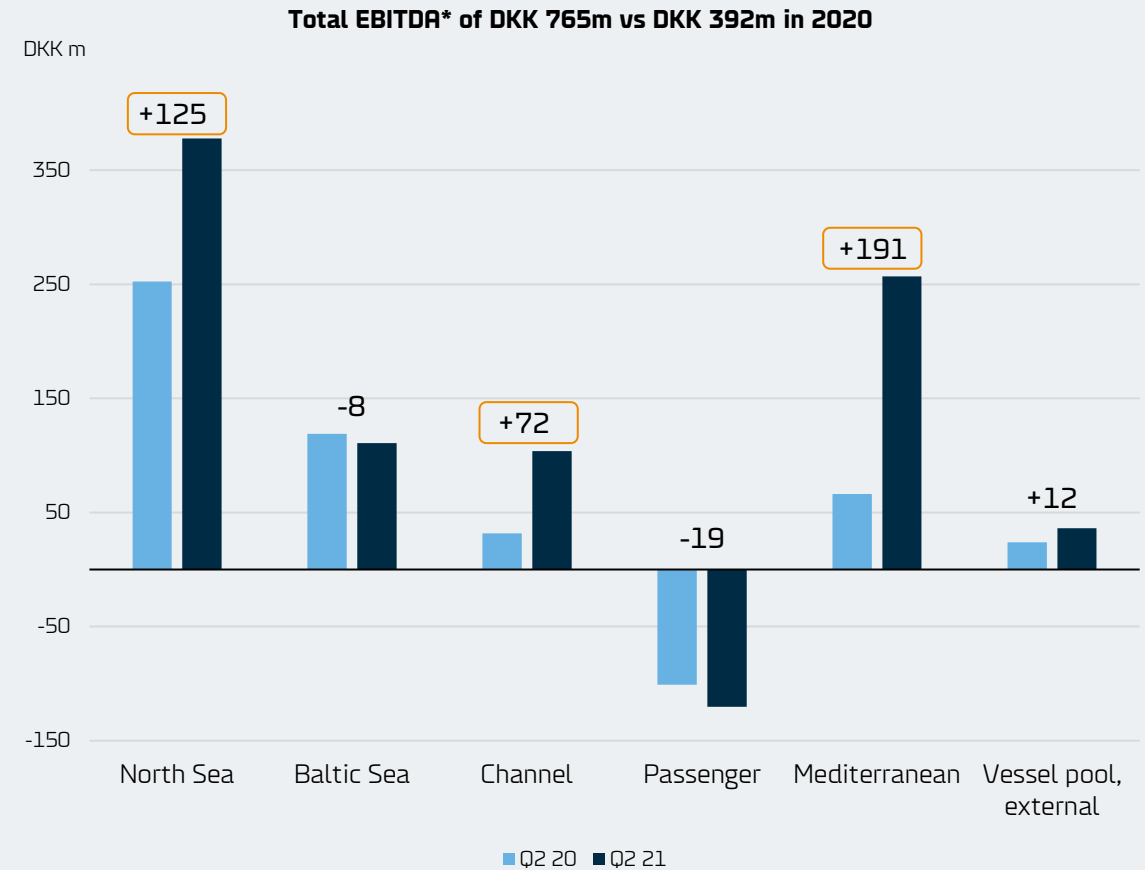
Q2 capital overview – ROIC and financial leverage improving

- **Tangible assets** increased DKK 540m due to addition of newbuildings and charter of ferries for new routes
- **Adjusted free cash flow** of DKK 604m increased by reduction in working capital
- **NIBD** of DKK 11.7bn down 4% from end Q2 2020
- NIBD/EBITDA-ratio of 3.6 down from 4.2 at year-end and 3.9 at end of Q2 2020
- **ROIC (LTM)** increased to 5.6% from 3.5% at year-end and from 5.1% for Q2 2020

DKK m	Q2 20	Q2 21	Δ	Δ
Non-current tangible assets	17,138	17,678	540	3%
Total assets	26,635	28,515	1,880	7%
Working capital	418	237	-181	-43%
Cash flow				
Operating activities, gross	604	1,001	398	66%
Investments, net	-338	-164	175	-52%
Adjusted free cash flow	100	604	505	506%
Key figures				
Average no. of employees	8,355	8,120	-235	-3%
ROIC before special items	5.1%	5.6%	0.5%	n.a.
Invested capital, end	22,670	22,875	205	1%
NIBD	12,136	11,688	-448	-4%
NIBD/EBITDA, times	3.9	3.6	-0.3	n.a.
Equity ratio	39.0%	38.7%	-0.3%	n.a.

Ferry Division – strong results for Mediterranean & North Sea

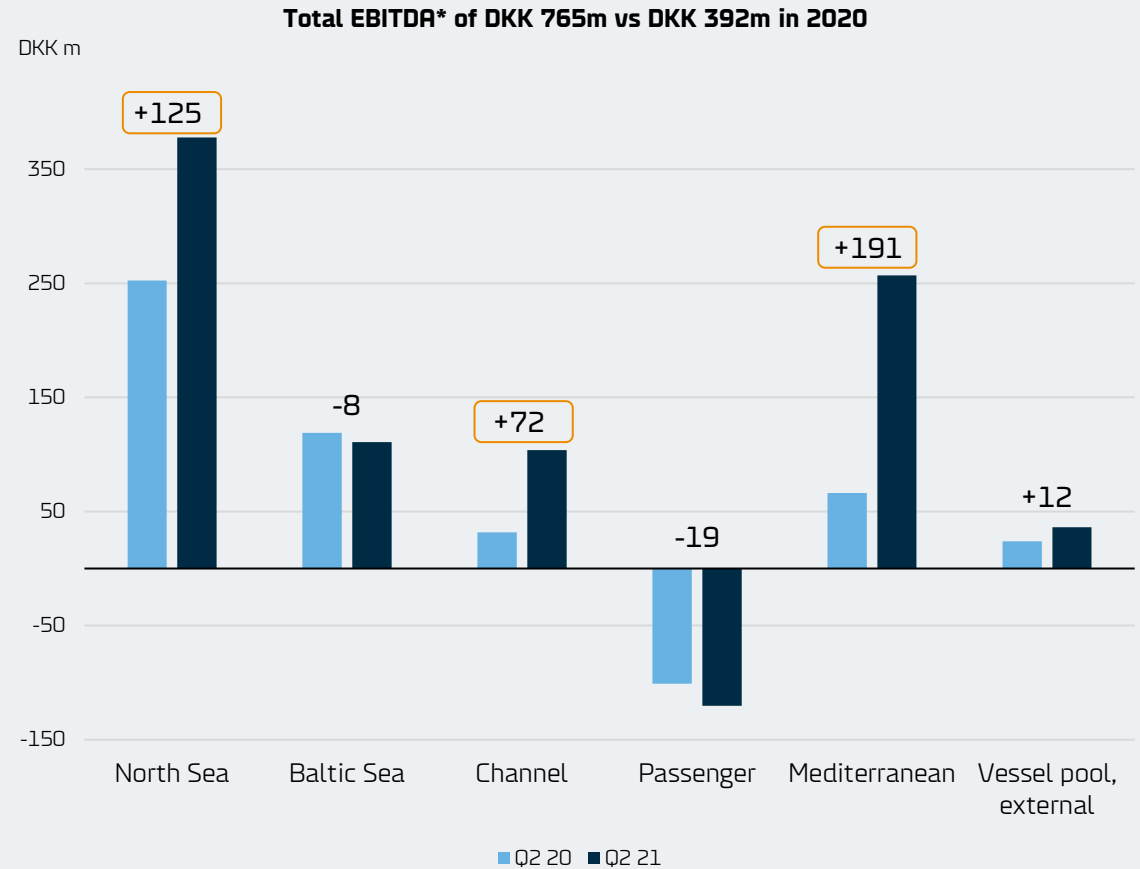
- **North Sea** up DKK 125m driven by volume growth supported by investments in new and more efficient capacity, plus DfT agreements
- **Baltic Sea** down DKK 8m. Positive impact of higher volumes more than offset by higher operating costs
- **Channel** up DKK 72m driven by new route Rosslare-Dunkirk, duty-free sales and DfT agreement. Higher freight volumes offset by capacity increases



*Before special items

Ferry Division – strong results for Mediterranean & North Sea

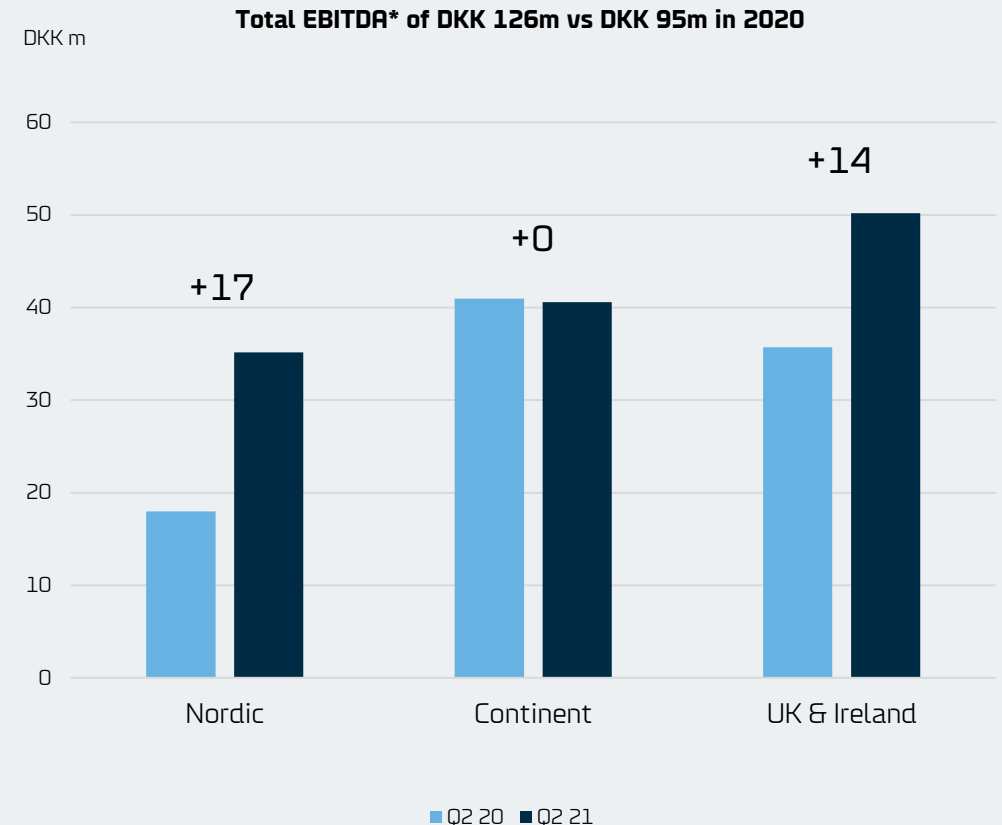
- **Passenger** down DKK 19m due to layup of Oslo-Frederikshavn-Copenhagen throughout Q2
- **Mediterranean** up DKK 191m driven by volume growth, cost improvements and stable operations. Results also improved for port terminal and rail activities



*Before special items

Logistics – earnings recovery held back by market bottlenecks

- **Nordic** up DKK 17m as Swedish automotive activities recovered. Door-door trailer earnings held back by driver/equipment shortages linked to UK
- **Continent** on level as Netherlands recovered well despite cost pressure from market shortages while Belgian result was reduced by imbalances and operational challenges
- **UK & Ireland** up DKK 14m driven by improved Cold Chain result from reopening of catering sector and customs clearance. Driver/equipment shortages increased costs



Quarterly ESG-reporting introduced

Environmental actions

- Emission-reducing initiatives across Ferry and Logistics
- Zero-emission ferry targeted for 2025
- Electric truck operational in August

Social

- Female land hiring ratio now at 39%
- Diversity & Inclusion toolbox launched

Governance

- EMT assigned individual responsibility for ESG goals

Environment – short-term actions and plans

Current actions to lower emissions:

- Route **planning and propulsion** control technology installed
- Anti-fouling **hull paint** to reduce friction in the water
- **LED** lighting installed on freight decks
- New **injection system** to optimise engine combustion (PMI VIT)
- **Shore power** facility in Copenhagen to become operational during Q3 2021
- Operation of first **electric truck** in collaboration with Volvo Trucks expected in August

2021 OUTLOOK

EBITDA outlook of DKK 3.2-3.6bn unchanged from upgrade in April

- **Freight** has overall performed above forecast...
- ... but offset from no anticipated **passenger** pickup vs 2020 and later consolidation of **HSF Logistics Group**
- **Main outlook uncertainties:**
 - Speed of pickup in travel
 - New ferry competitor on Channel
- **HSF Logistics Group** assumed consolidated in September 2021. Subject to regulatory approval

Business unit assumptions

- **UK-linked** freight activities expected to perform above 2020
- **Mediterranean** expected to improve earnings level
- **Baltic Sea** expected to be impacted by increased freight capacity in market
- **Passenger** EBITDA assumed to remain on level with 2020
- **HSF Logistics Group** – revenue of DKK 0.9bn, EBITDA of DKK 100m

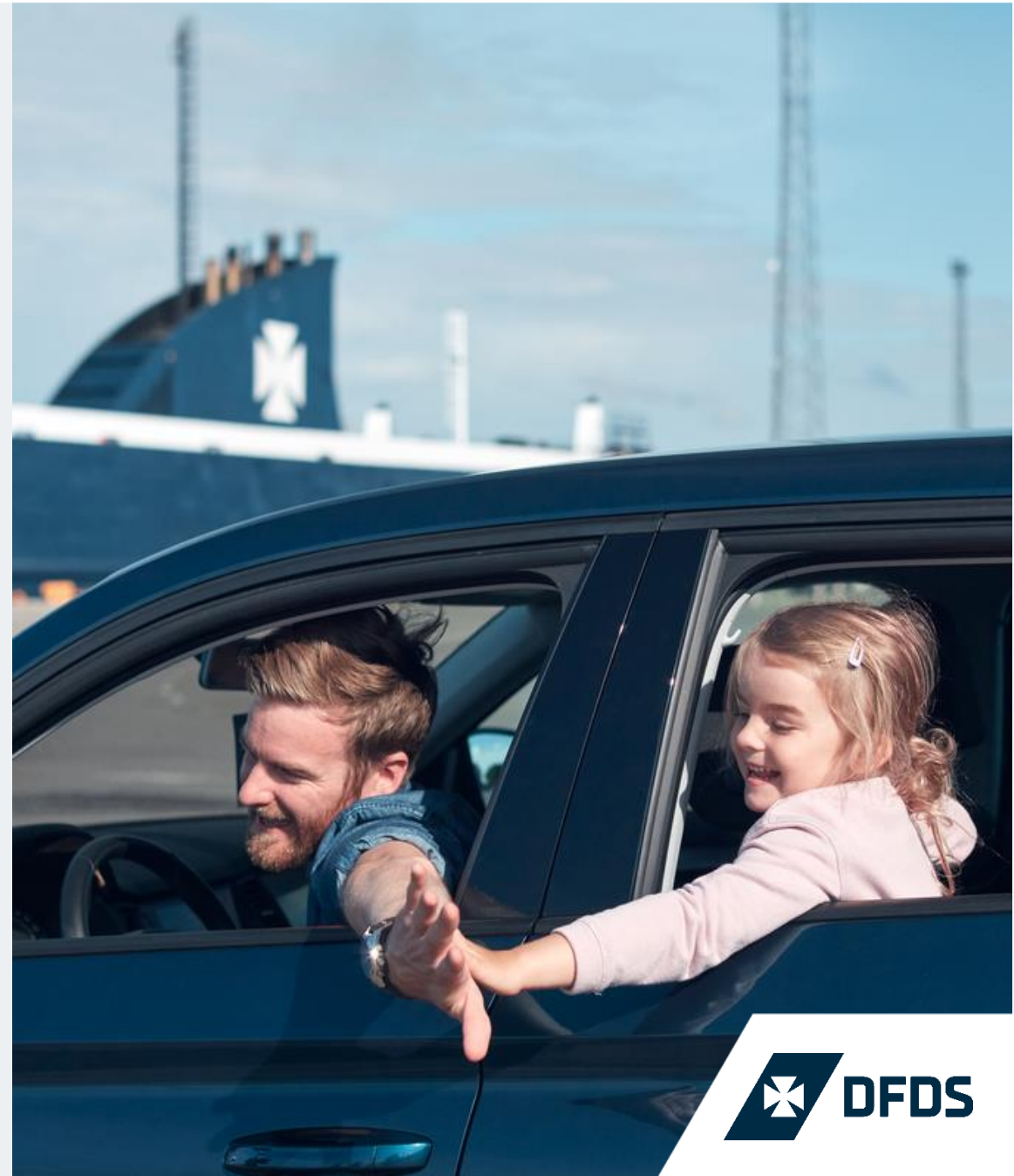
Outlook 2021 – divisions adjusted

- **Division EBITDA** ranges adjusted reflecting development in freight/passenger performance and later consolidation of HSF Logistics Group
- **Investment** outlook includes:
 - DKK 0.9bn, HSF Logistics Group
 - DKK 0.8bn, ferry newbuildings

DKK m	Adjusted outlook 2021	Previous outlook 2021	2020
Revenue growth	20-25%	20-25%	13,971
EBITDA before special items	3,200-3,600	3,200-3,600	2,732
Per division:			
Ferry Division	2,650-2,950	2,550-2,850	2,332
Logistics Division	600-700	700-800	445
Non-allocated items	-50	-50	-45
EBIT before special items	1,200-1,600	1,200-1,600	858
Investments	-2,800	-2,800	-1,618

Our current priorities 2021

- Integrate **HSF Logistics Group** successfully
- Pursue **post-Brexit** opportunities
- Drive **organic growth**
- Manage **truck driver shortage**
- Prepare for return of **passengers**



Q&A

