

Moving trailers & cars

Goldman Sachs - Annual European Industrials Conference



7 December 2022



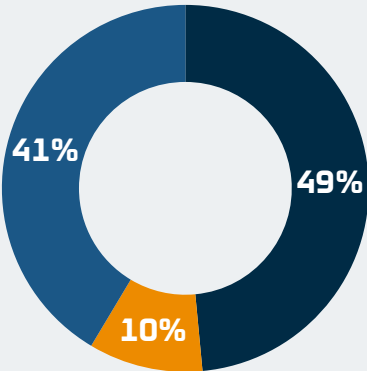
European transport & logistics network for trailers and car passengers

We move goods in trailers
by road, rail, & ferry



We move people in cars by ferry

90% of revenue is freight
Q3 LTM 2022



■ Freight ferry ■ Passenger ferry ■ Logistics



Our key customer offerings

Mix of asset-backed and asset-light business models

Ferry routes

9% own freight volumes,
up to 25% on some 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 4.8-5.0bn EBITDA*
- 11,300 employees
- 26 routes – incl.
9 passenger routes
- 8 port terminals
- 60+ logistics locations



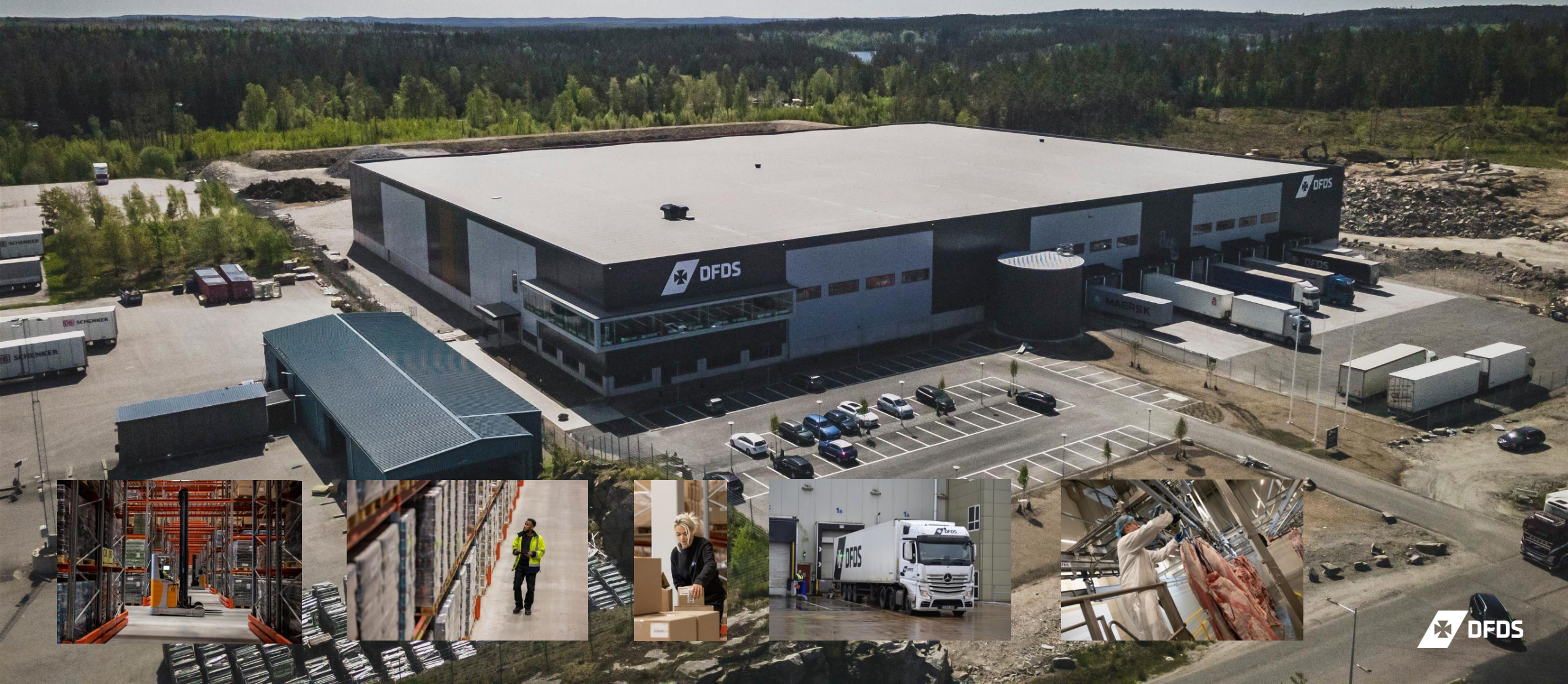
Roll on, roll off – freight ferry business model



- 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



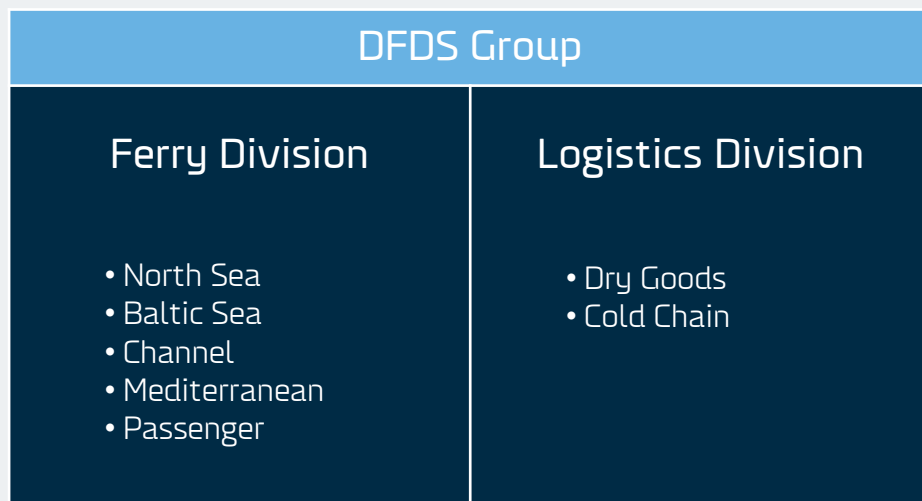
Logistics – dry and cold chain solutions



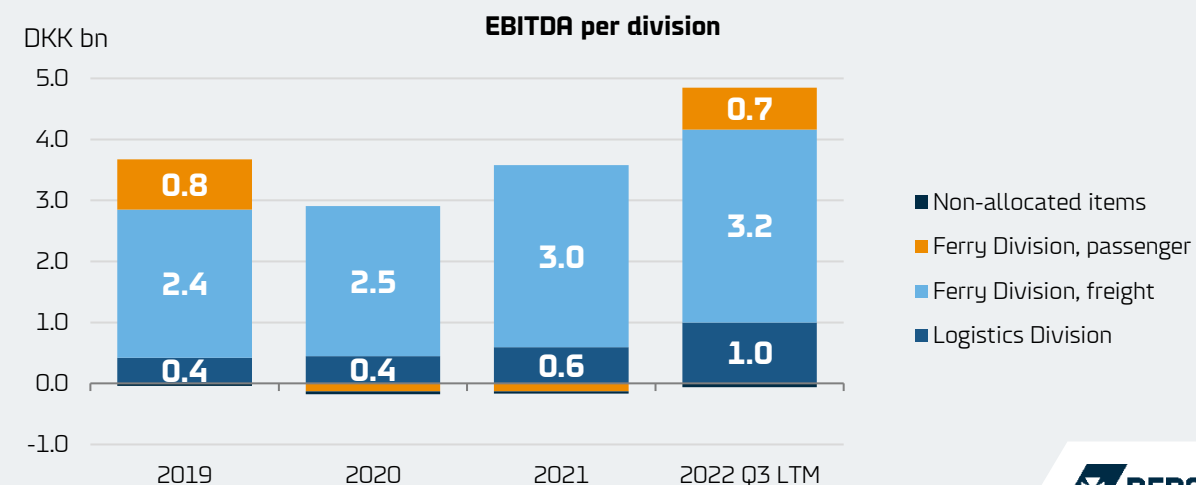
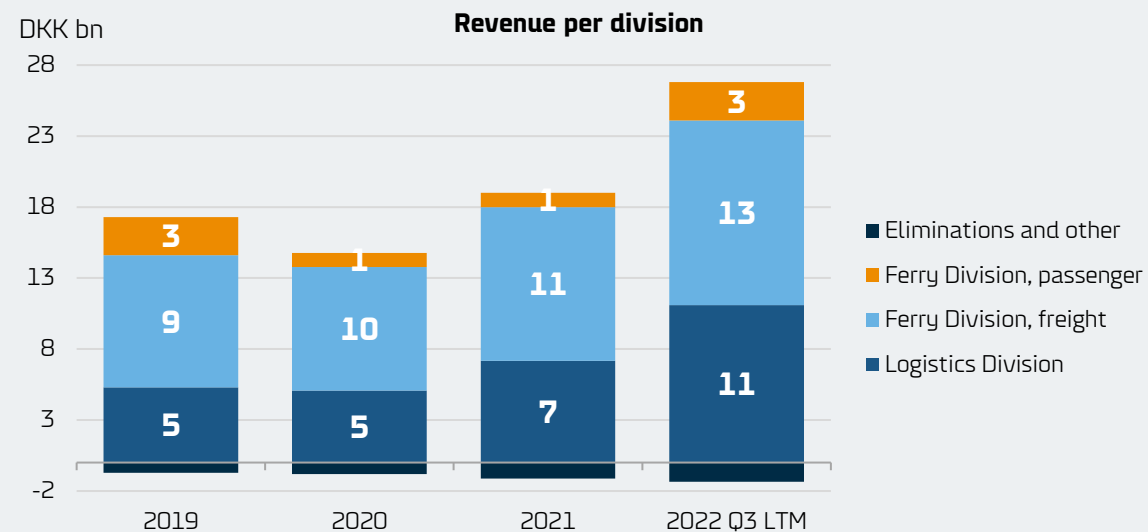
Majority of goods in our network are industry and consumer staples

	North Sea	Mediterranean	Channel	Baltic Sea	Dry Goods	Cold Chain
Industrial parts	X	X	X	X	X	
Automotive	X	X	X		X	
Forest & Metal	X			X	X	
Construction	X			X	X	
Meat, seafood & dairy	X		X			X
Other foods	X	X	X			X
FMCG			X		X	
High value goods			X		X	
Textiles		X				

DFDS structure



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



Strong Q3 moved ROIC above 8% target & leverage back in target range

- **Freight ferry** Q3 demand held steady
- **Logistics** EBITDA at DKK 1bn for Q3 LTM
- **Passenger** high season stronger than expected, Q3 result 11% above 2019
- **ROIC** of 8.4% exceeds 8.0% target
- **Outlook raised** to DKK 4.8-5.0bn (DKK 4.4-4.8bn)
- **Financial leverage** of 2.9x back in target range of 2-3x

Q3 revenue up

64%

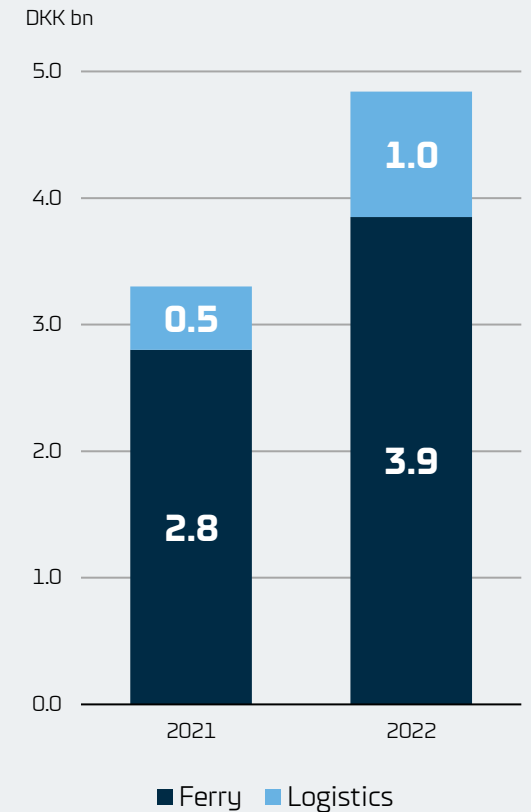
to DKK 7.2bn

Q3 EBITDA up

88%

to DKK 1.6bn

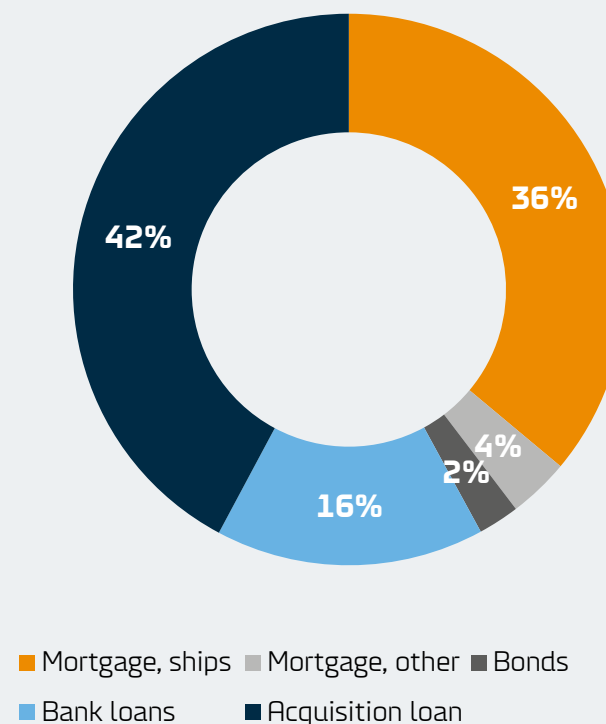
Earnings raised significantly
EBITDA, LTM Q3



Debt refinancing ongoing

- **Interest-bearing debt** of DKK 11.6bn, excluding IFRS 16 lease liabilities
- Debt with **fixed interest** around 40% of total
- **Bond** financing expired in Q3 2022, replaced with bridge until end 2023
- Investment grade **rating** obtained
- UNRR **acquisition loan*** of DKK 4.9bn expiring in Q2 2023, refinancing ongoing with existing bank syndicate

Interest-bearing debt, excl. lease liabilities, Q3 2022

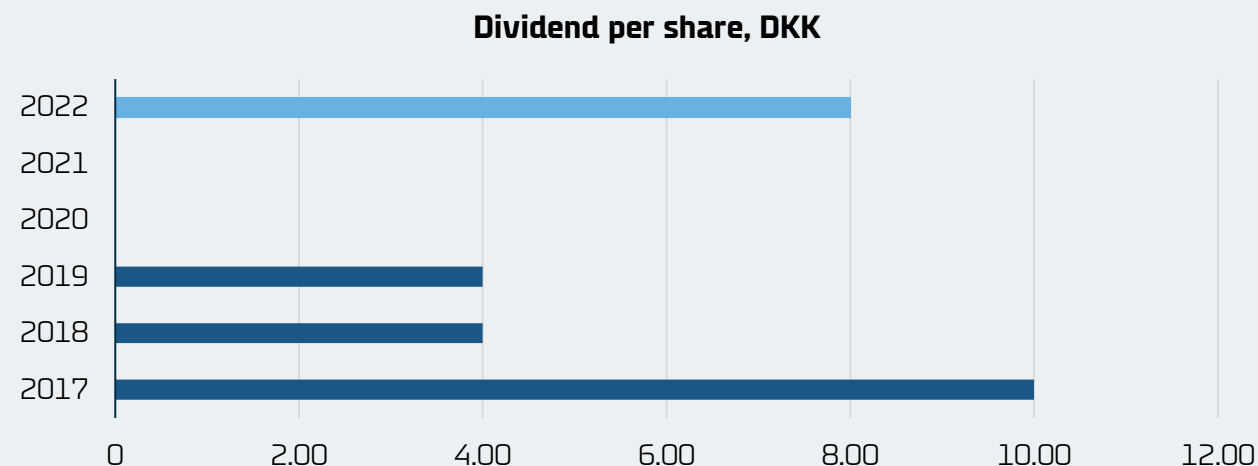


*Reported as short-term in Q3 2022

Capital distribution resumed in 2022 after Covid-19

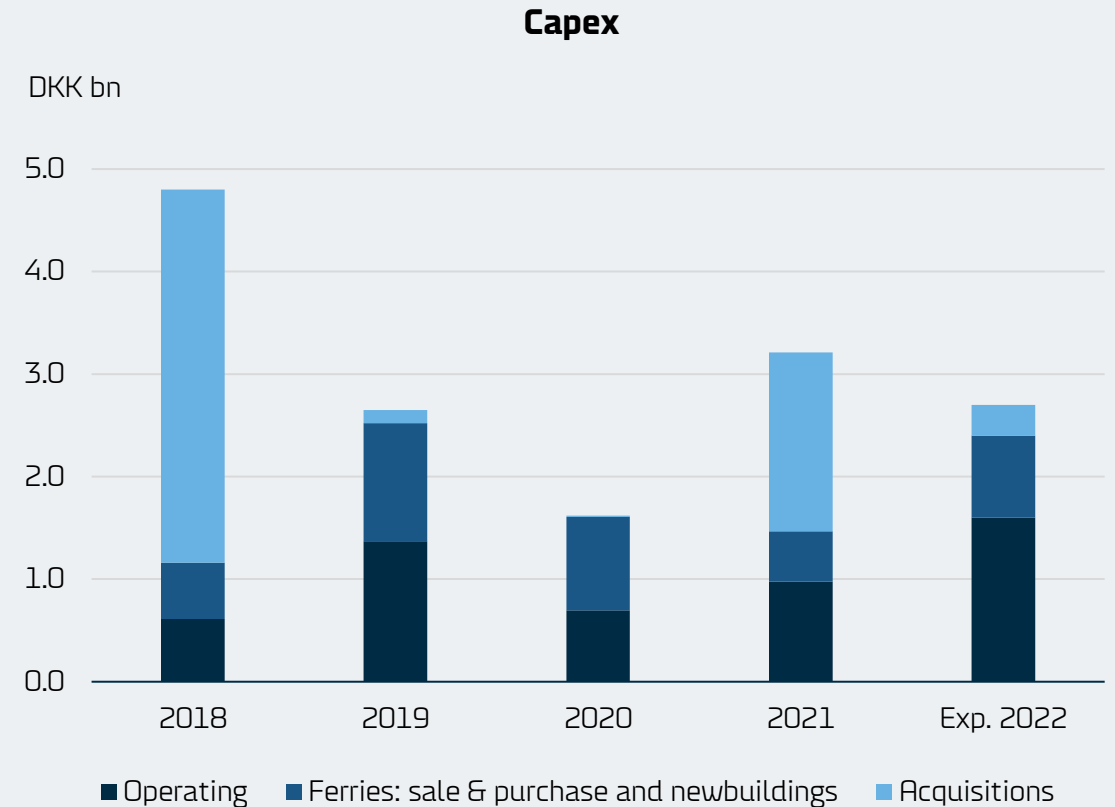
- Dividend on hold 2020-21 as Covid-19 raised NIBD/EBITDA above 4x
- Target range for NIBD/EBITDA of 2.0-3.0x
- NIBD/EBITDA of 2.9x end of Q3 2022 back in target range
- Dividend of DKK 4.00 paid in March 2022 and DKK 4.00 in August 2022

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 investments expected towards 2025



Key challenges and opportunities

- **Freight ferry** volume growth – headwind from slowdown, tailwind from nearshoring
- **Passenger** volumes historically resilient in slowdowns
- **Truck driver** supply/demand balance expected to remain fragile
- Ferry **competition** overall stable - Channel overcapacity
- Continued **consolidation** of logistics sector
- **Expand** customer offerings through acquisitions and other initiatives
- Continued focus on **green** transformation



Recent key ESG actions

- **Ferry** CO2 emissions reduced 4% in Q3 across the ferry network
- Sailing schedules adapted to allow for further **slow steaming**
- First batch of **biofuel** (B100) being tested on Vlaardingen-Immingham
- 2 **eTrucks** running in Ghent and Got. 20 additional eTrucks in Dec/Jan
- 1m kWh of **clean electricity** produced by warehouse solar panels in 2022

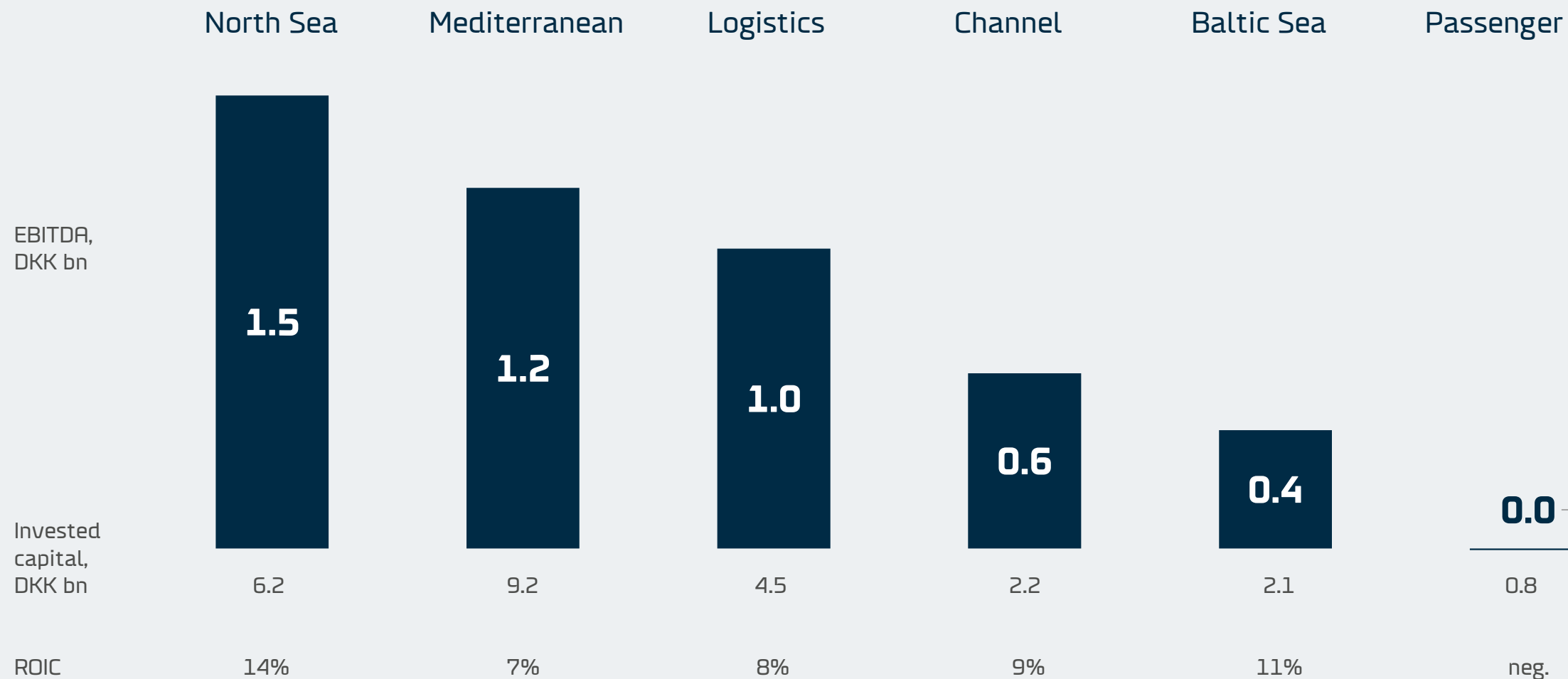




Q&A



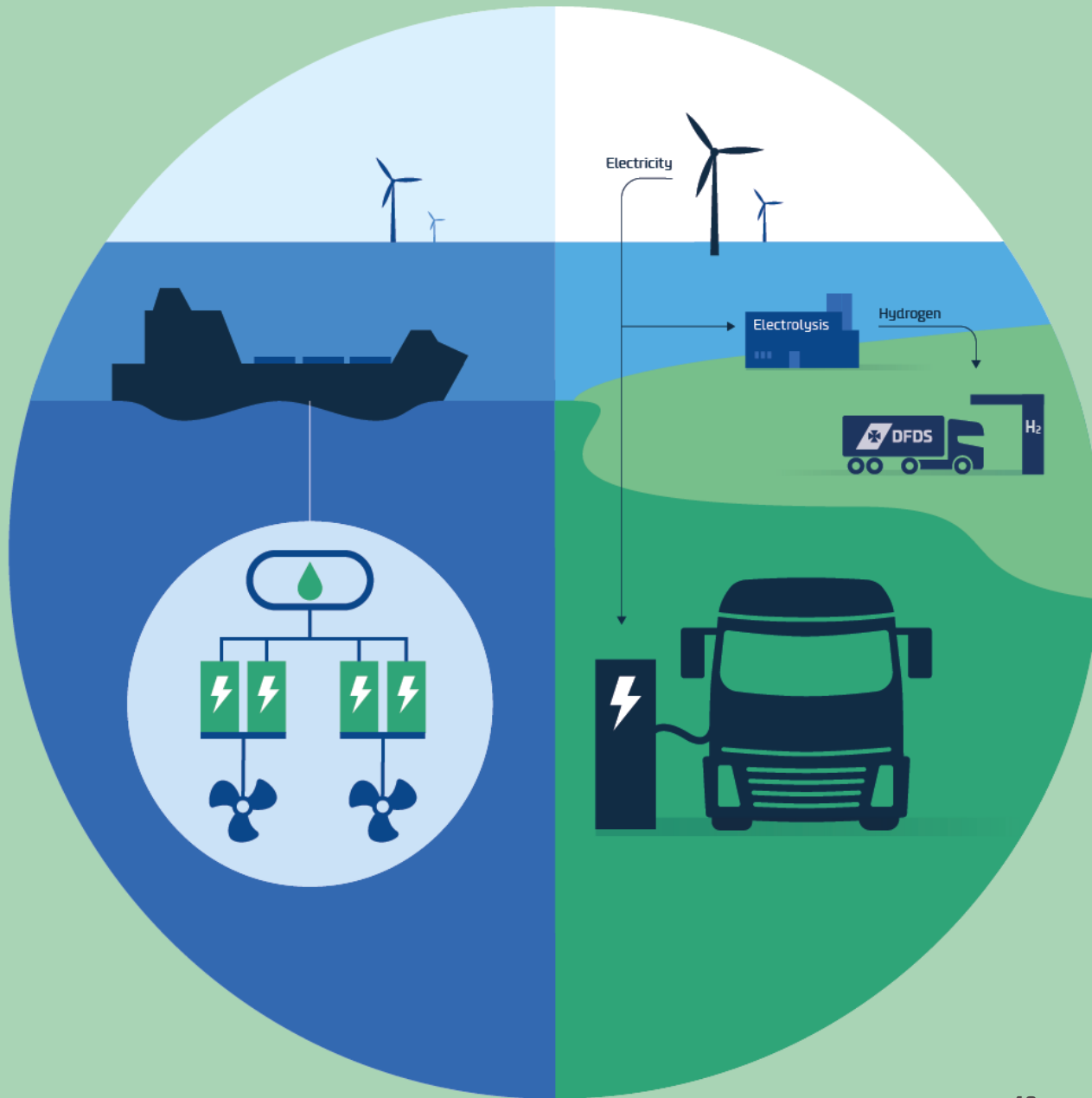
Business units – EBITDA, invested capital and ROIC, 2022 Q3 LTM



Outlook 2022 – EBITDA and revenue growth raised, again

- **Revenue** growth raised to around 45% (previously around 40%)
- Increase mainly due to higher revenue from oil surcharges
- **EBITDA** range raised to DKK 4.8-5.0bn by stronger than expected Q3 result
- **Investments** unchanged

DKK m	Outlook 2022	Previous	2021
Revenue growth	Around 45%	Around 40%	17,869
EBITDA before special items	4,800-5,000	4,400-4,800	3,411
<i>Per division:</i>			
Ferry Division	3,900-4,000	3,500-3,800	2,853
Logistics Division	950-1,050	950-1,050	593
Non-allocated items	-50	-50	-35
Investments	-2,700	-2,700	-3,210
<i>Types:</i>			
Operating	-1,500	-1,600	-975
Ferries: sale & purchase, newbuildings	-900	-800	-490
Acquisitions	-300	-300	-1,745



Ferry ESG

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

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





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



Dry Goods

- ## Cold Chain

-  Door-door forwarding, full & part loads
-  Storage and cross-docking
-  Distribution centres
-  Rental and cleaning of reusable packaging
-  Customs clearance

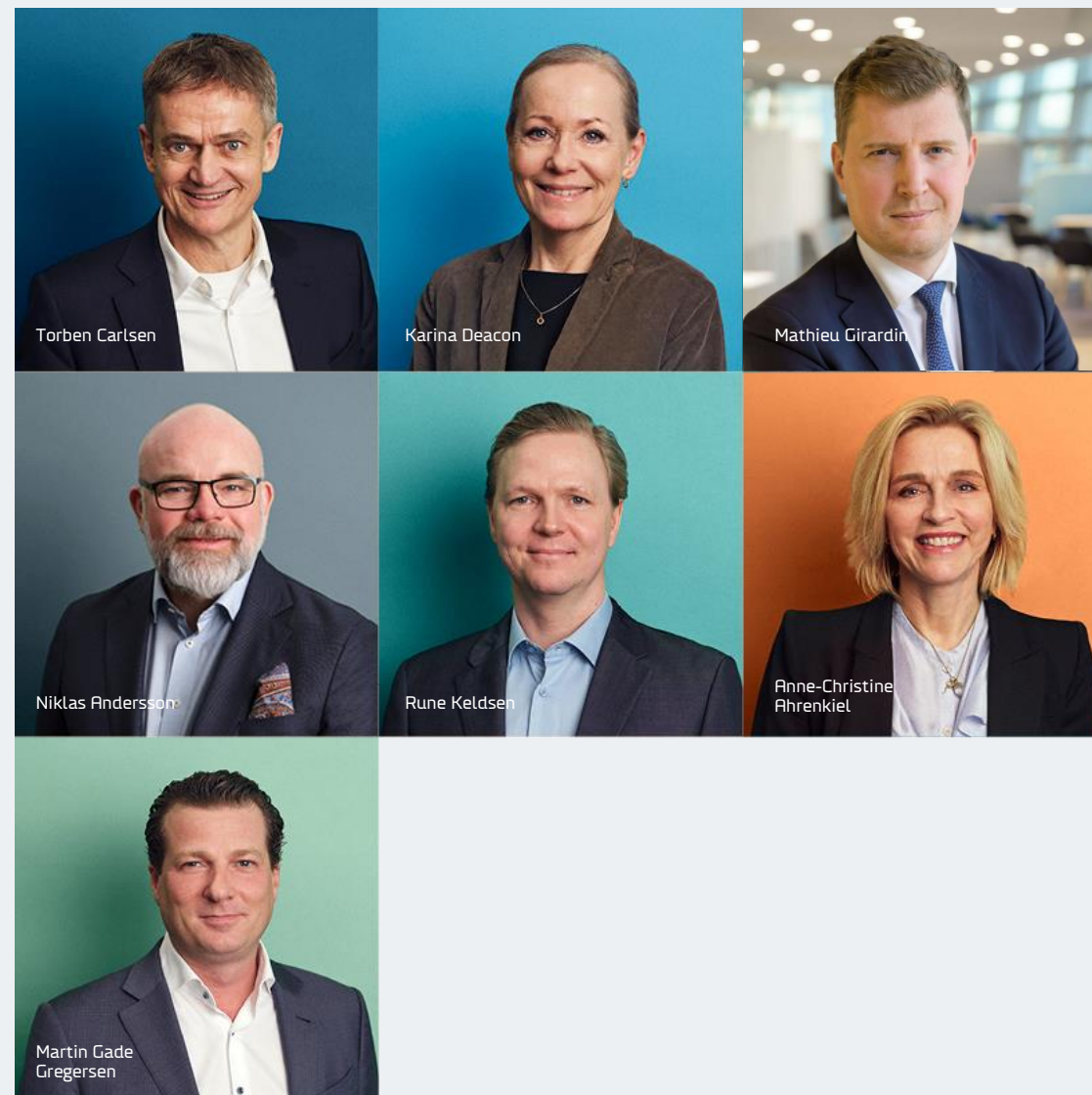
Executive Management Team (EMT)

Executive Board:

- Torben Carlsen, CEO
- Karina Deacon, CFO

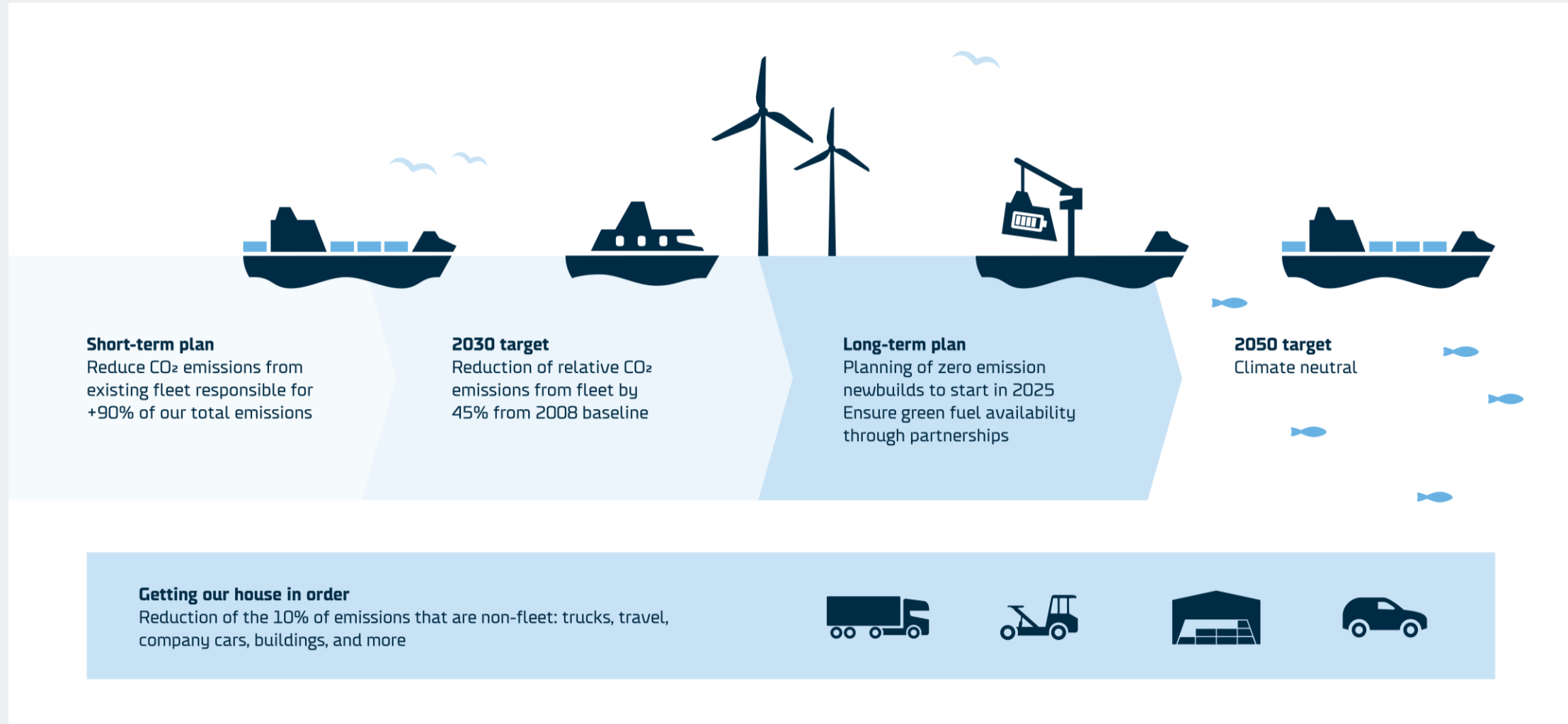
Extended management team:

- 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

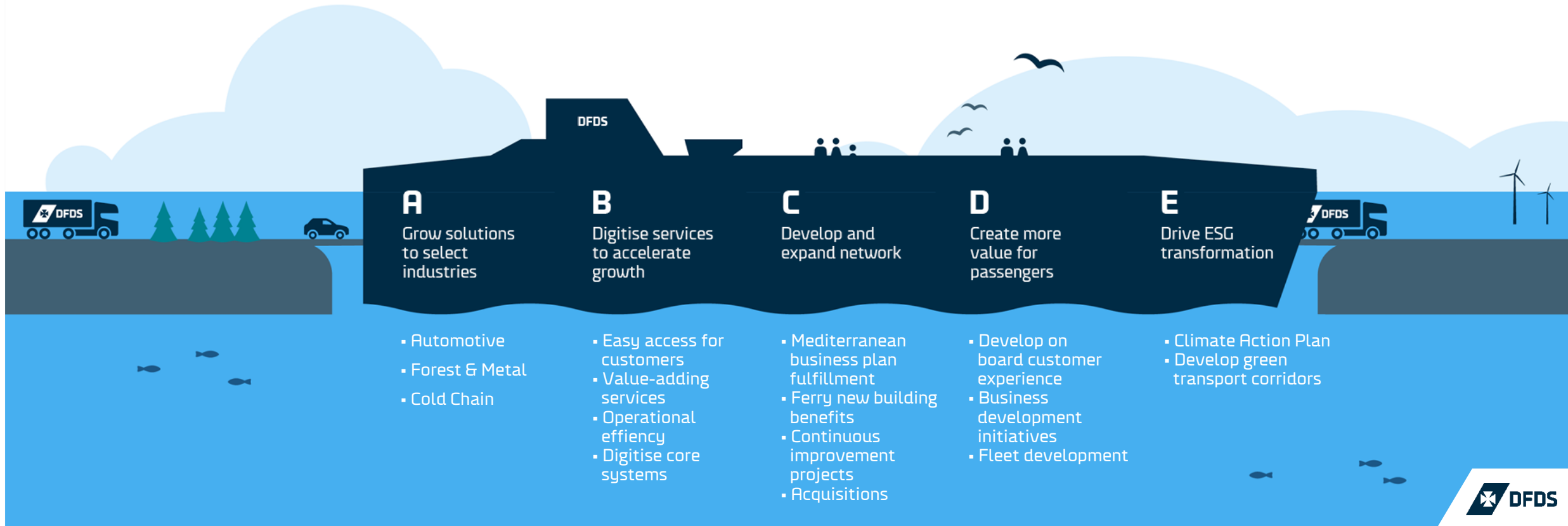


* From October 2022

DFDS Climate Action Plan – climate neutral in 2050



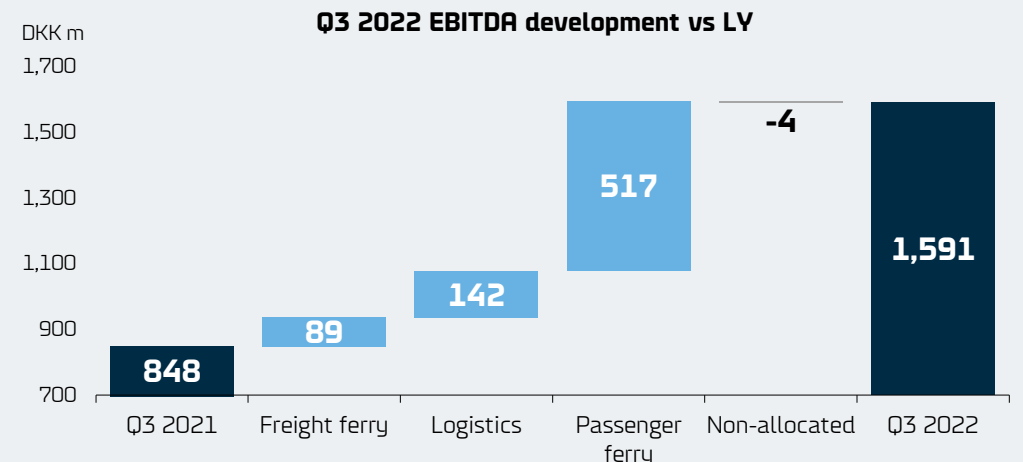
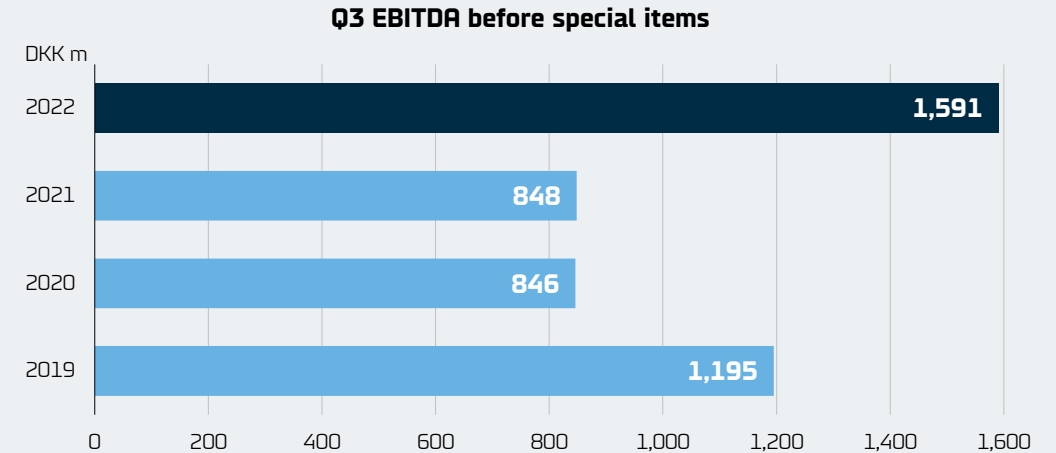
DFDS strategy



Q3 2022

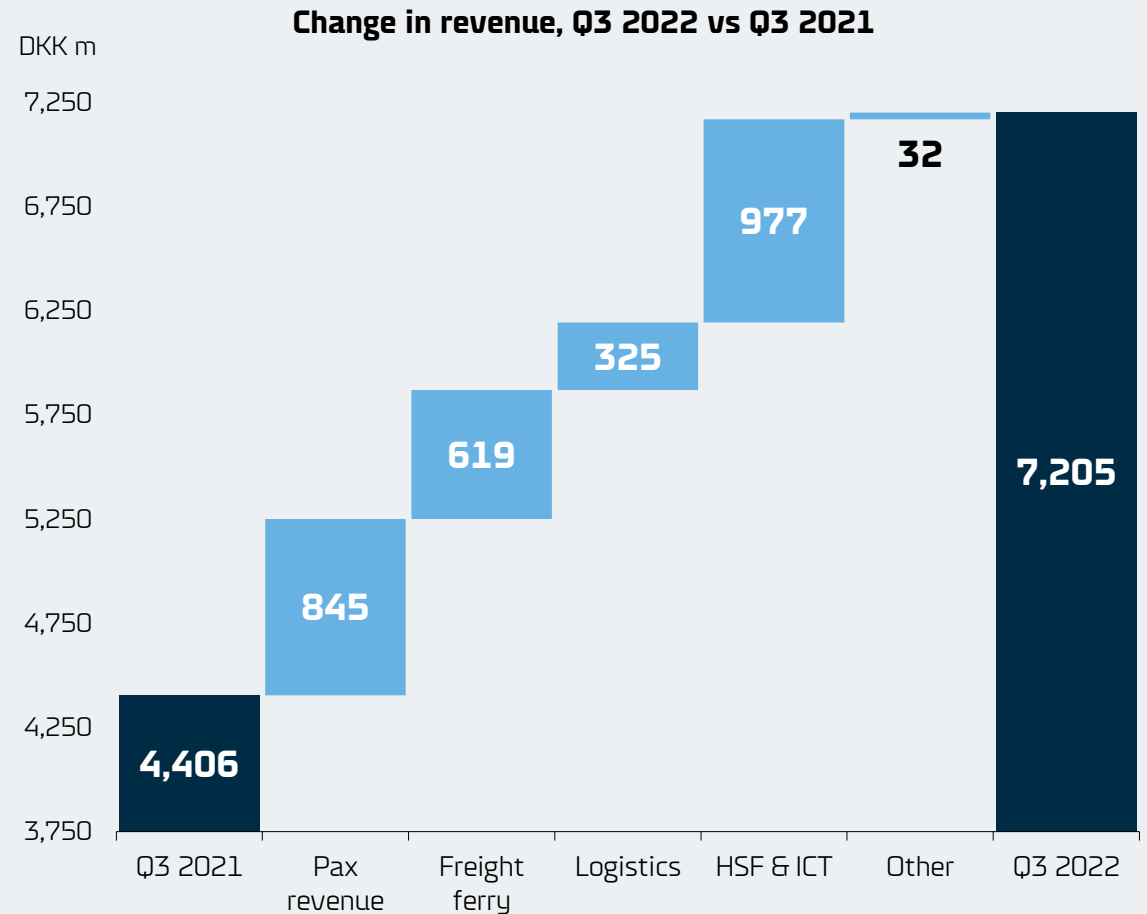
Q3 EBITDA boosted by passenger recovery and improved logistics result

- **DFDS Group** revenue up 64%; EBITDA up 88% to DKK 1.59bn
- **Ferry freight** EBITDA increased 13% to DKK 741m driven by North Sea and Mediterranean; Channel lower
- **Passenger** recovery increased EBITDA to DKK 569m from DKK 52m in 2021
- **Logistics** EBITDA up 91% to DKK 297m from improved cost cover-age, performance, and acquisitions



Revenue lifted by acquisitions, passenger recovery, BAF & logistics

- **Passenger** up DKK 845m driven by Passenger and Channel
- **Freight ferry** increase mainly due to pass-through of bunker costs
- **Logistics** growth reflects price increases, surcharges, solutions growth, and customs revenue
- **Acquisition** revenue of DKK 977m, of which DKK 905m from HSF and DKK 72m from ICT



Q3 2022 income statement – margins improved

- **EBITDA** up 88% primarily driven by passenger recovery, improved logistics results, and addition of HSF Logistics Group
- **Depreciation** up DKK 106m of which around 60% from acquisitions. Remainder mostly due to newbuildings
- **EBIT** almost tripled to DKK 968m and margin increased 5.9 ppt to 13.4%
- **Finance** cost up DKK 46m as net interest cost increased DKK 14m. Negative variance on currency adjustments of DKK 32m
- **Profit before tax** up 224% to DKK 853m

DFDS Group P/L DKK m	Q3 21	Q3 22	Δ	Δ
Revenue	4,406	7,205	2,799	64%
EBITDA*	848	1,591	742	88%
<i>Margin</i>	<i>19.3%</i>	<i>22.1%</i>	<i>2.8%</i>	
<i>Ferry Division</i>	<i>705</i>	<i>1,310</i>	<i>605</i>	<i>86%</i>
<i>Logistics Division</i>	<i>155</i>	<i>297</i>	<i>142</i>	<i>91%</i>
<i>Non-allocated</i>	<i>-12</i>	<i>-16</i>	<i>-4</i>	<i>n.a.</i>
P/L associates	-3	-2	1	n.a.
Gain/loss on assets	1	1	-1	-54%
Depreciation	-514	-621	-106	21%
EBIT*	332	968	636	191%
<i>Margin</i>	<i>7.5%</i>	<i>13.4%</i>	<i>5.9%</i>	
Finance	-69	-115	-46	66%
Profit before tax*	263	853	590	224%
Tax	-49	-36	13	-27%
Profit after tax*	214	817	603	282%
Special items	28	0	-28	n.a.

*Before special items

Financial leverage reduced to 2.9x - back in target range

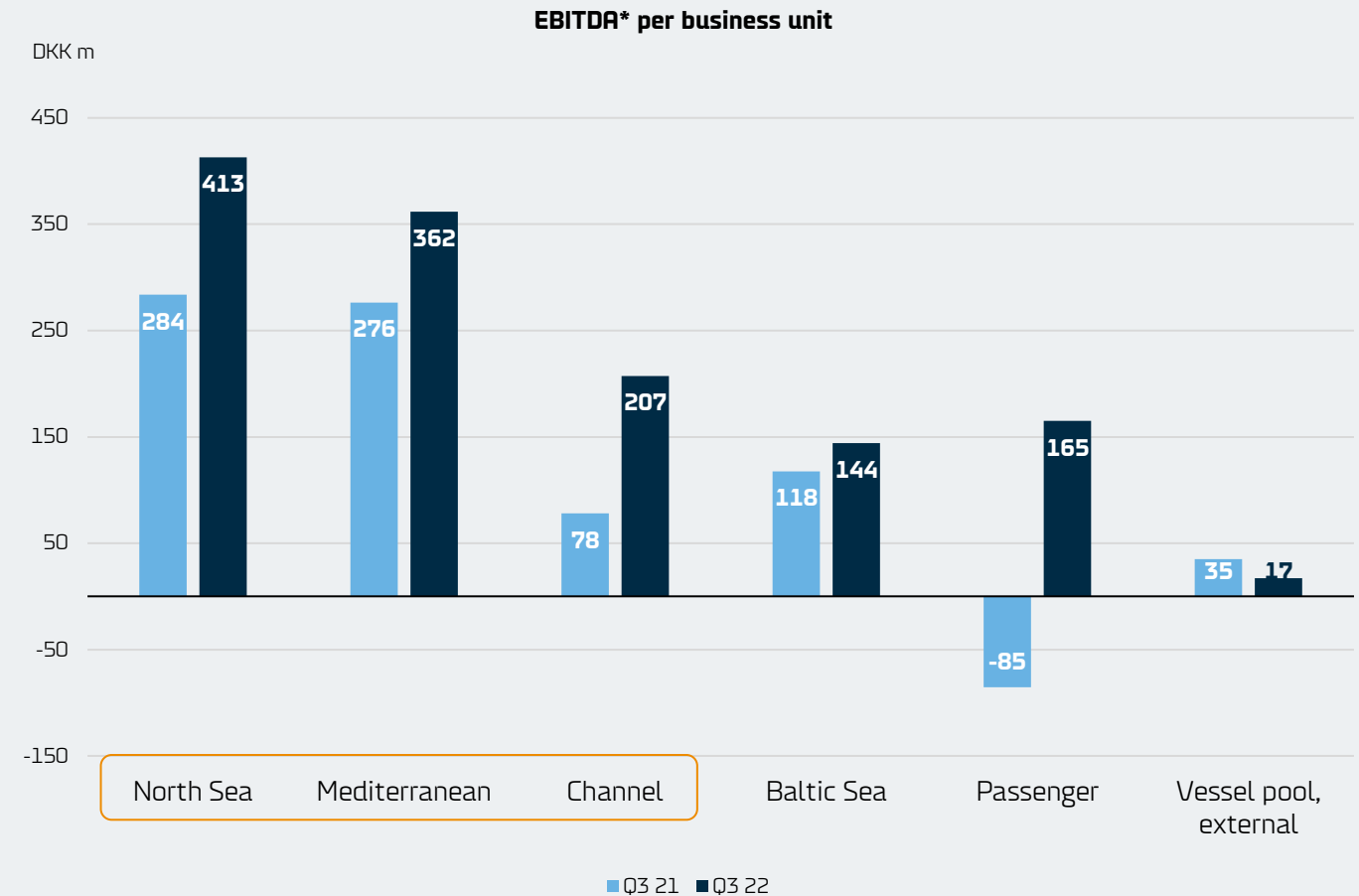
- **Operating cash flow** up 16% to DKK 1.3bn despite seasonal negative cash impact from working capital
- **Capex** includes DKK 0.3bn for a freight ferry purchase
- **ROIC** increased to 8.4% by passenger high season and higher freight earnings
- **NIBD** up 15% to DKK 14.0bn mostly due to acquisitions, incl. Lucey, and newbuildings
- NIBD/EBITDA-ratio reduced to 2.9x*, hence back in 2.0-3.0x target range

DKK m	Q3 21	Q3 22	Δ	Δ
Cash flow				
Operating cash flow	1,147	1,335	188	16%
Investments, total	-1,106	-987	119	-11%
<i>Operating</i>	-190	-436	-246	129%
<i>Ferries, sale/purchase/newbuildings</i>	46	-325	-371	-807%
<i>Acquisitions</i>	-962	-226	n.a.	n.a.
Adjusted free cash flow	-192	85	277	-144%
Key figures				
Invested capital, end	23,795	27,125	3,330	14%
ROIC before special items	5.6%	8.4%	2.8%	n.a.
Return on equity	7.7%	15.8%	8.1%	n.a.
NIBD	12,226	14,038	1,812	15%
NIBD/EBITDA, times	3.6	2.9	-0.7	n.a.
Equity ratio	36.8%	37.3%	0.5%	n.a.

*Including LTM pro forma EBITDA for acquisitions

All Ferry business units increased EBITDA

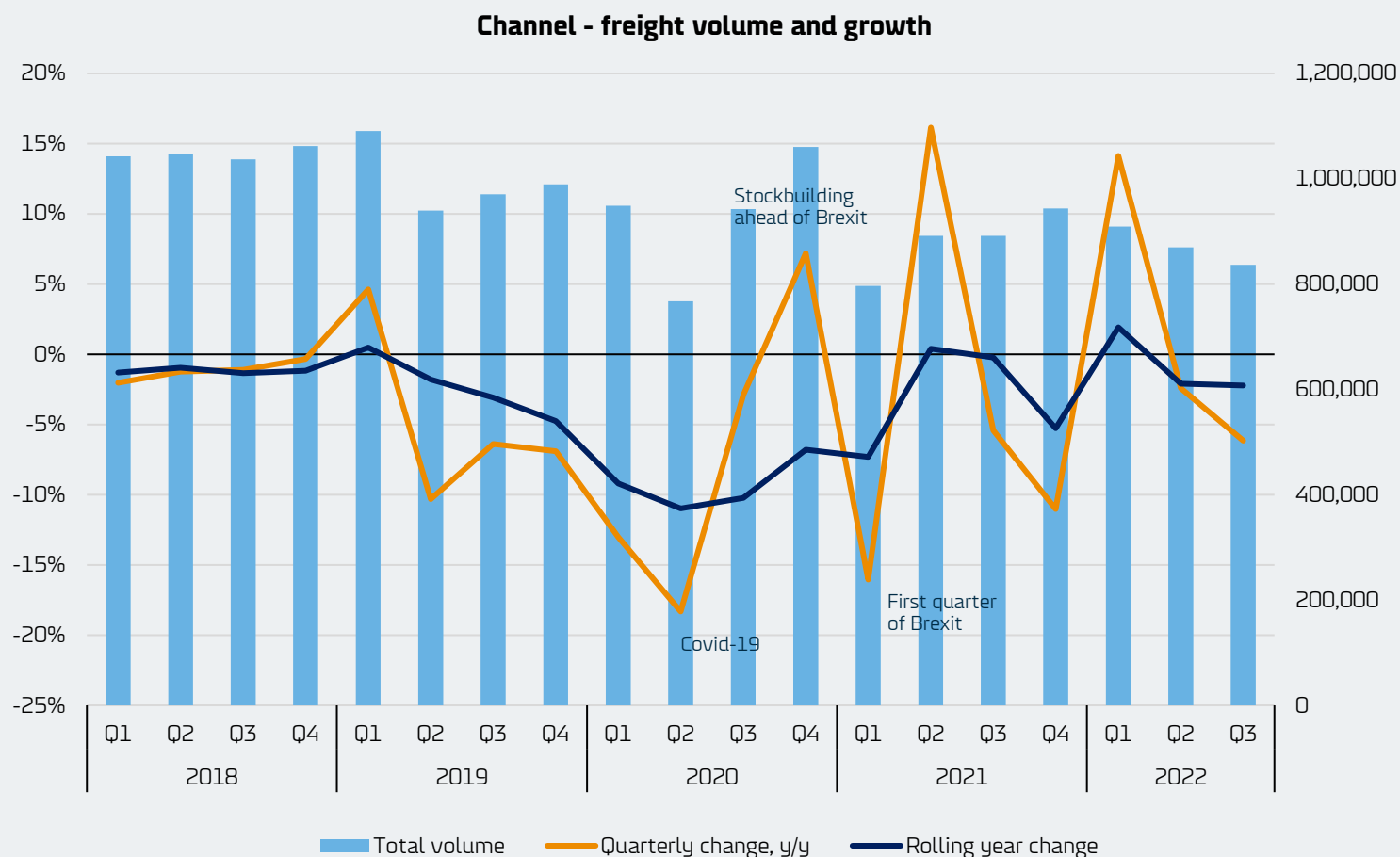
- **North Sea** up 45% driven by higher revenue from rates and standage fees in port terminals and lower operating costs
- **Mediterranean** up 31% driven by 7% volume growth that was lowered by fires in Trieste region
- **Channel** up 166% as recovery of passenger volumes and duty-free sales offset a lower freight result



*Before special items

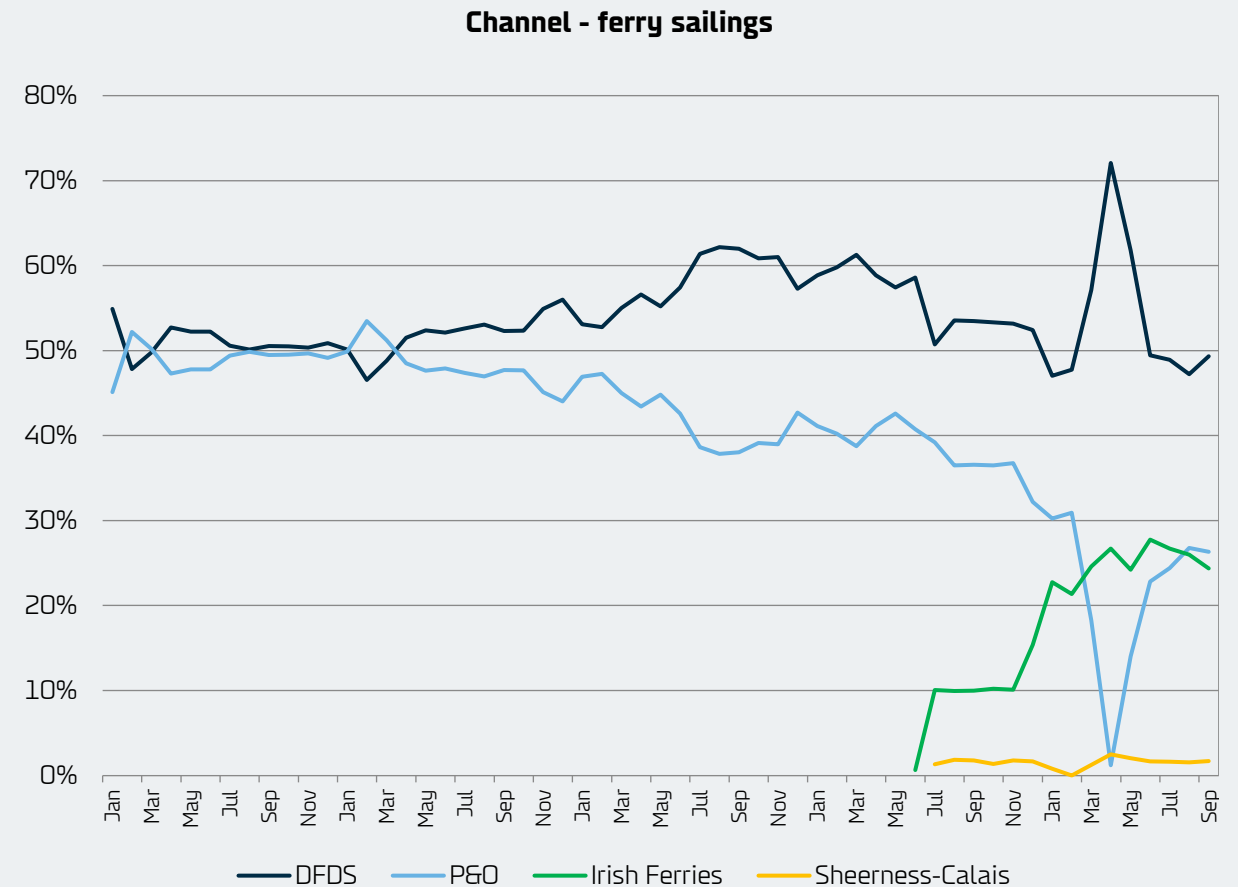
Channel* freight volumes – growth trending down in 2022

- Channel volumes recovered through 2021 post Covid-19 and Brexit
- Declining trend in 2022 continued in Q3 with a 6% decrease vs Q3 2021
- YTD 2022 still 1.4% above 2021 due to increase of 14% in Q1 2022



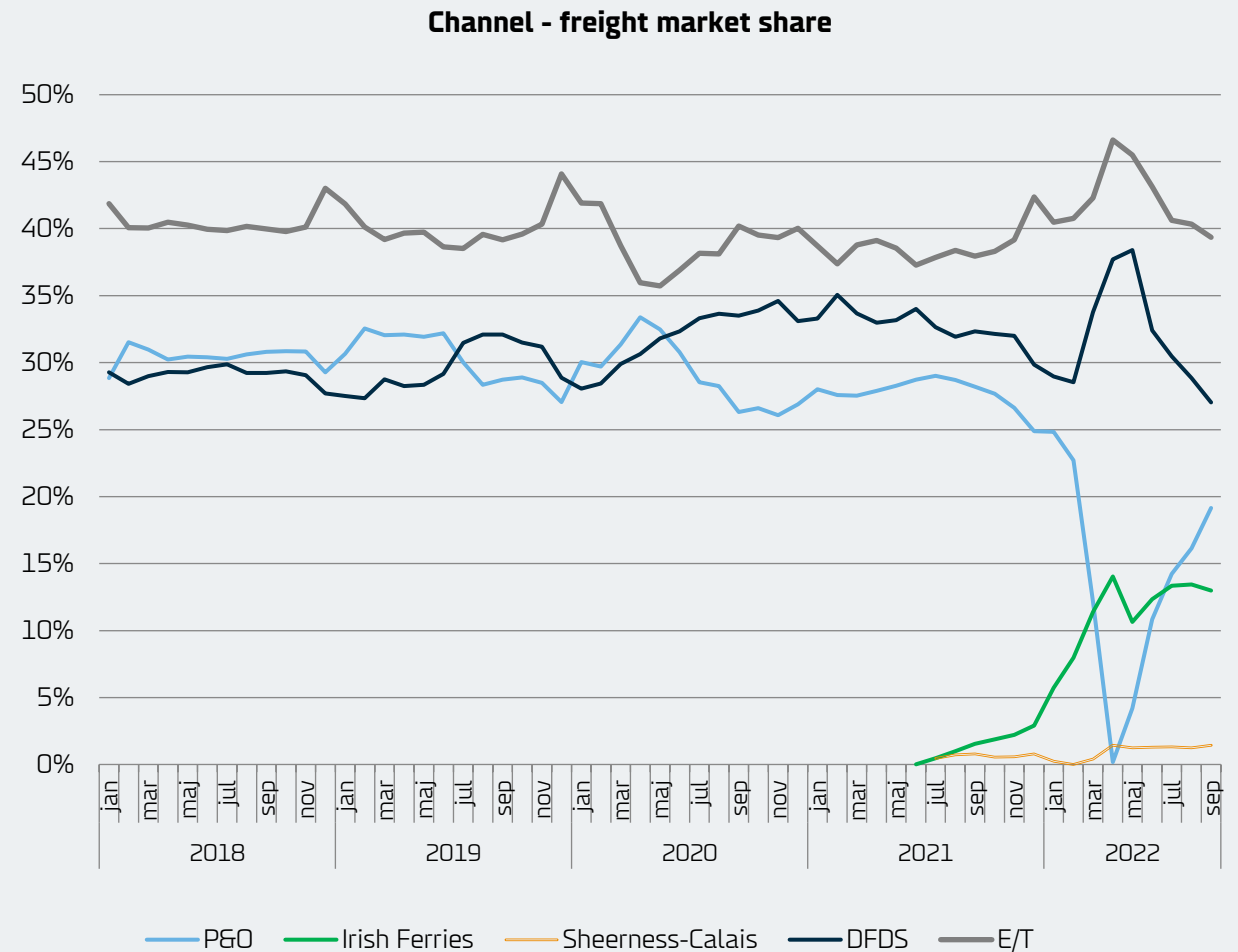
Channel – in Q3 DFDS provided around 50% of ferry sailings

- DFDS sailings ended Q3 at 50% of all sailings – space charter agreement has enabled a reduction of sailings from October 2022
- P&O Ferries' capacity in Q3 continued below historic level
- Irish Ferries' deployment of three ferries equalled 24% of sailings in September 2022 but capacity share is lower due to smaller ferries



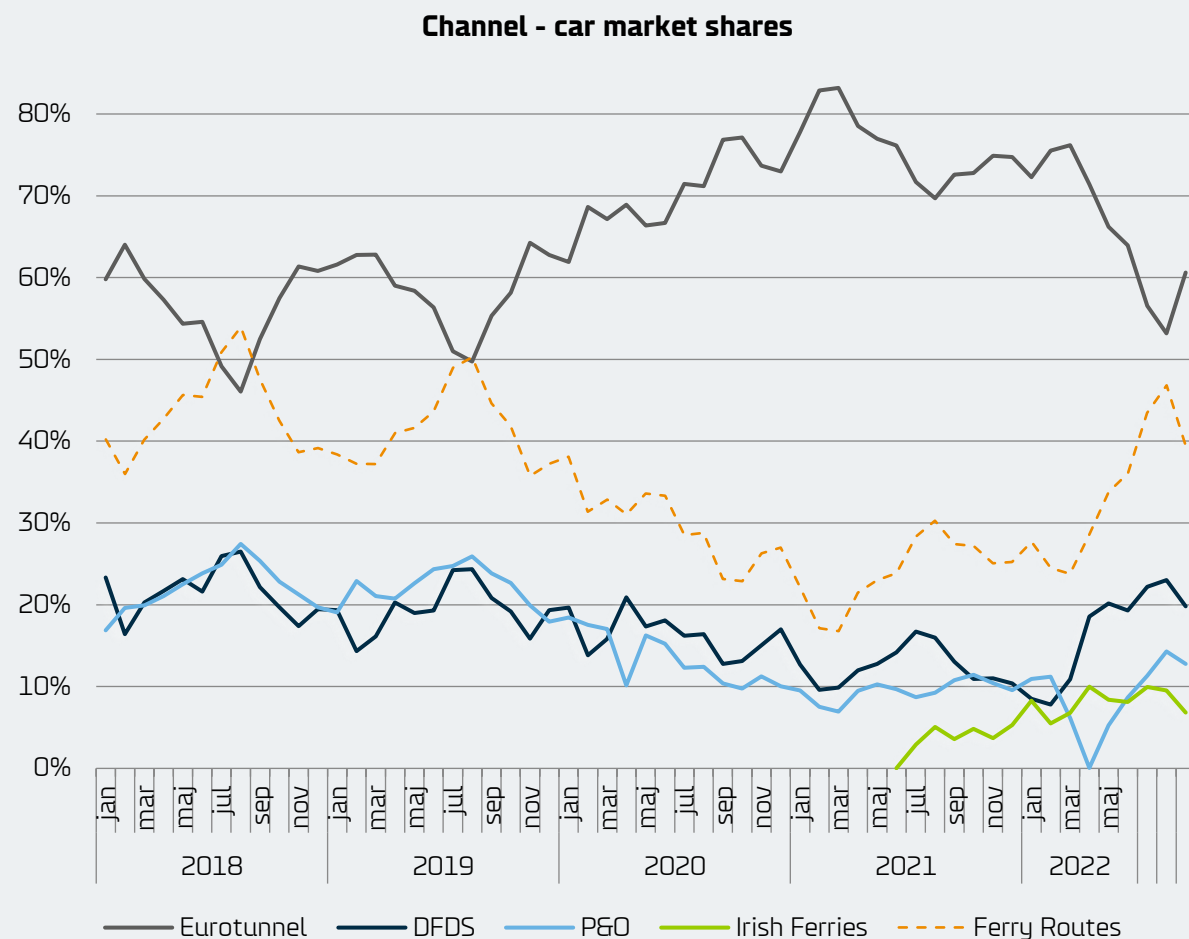
Channel freight market share – re-entry of P&O from suspension

- DFDS and Eurotunnel market shares reduced by re-entry of P&O Ferries
- Irish Ferries' market share continued at 13% in Q3
- Eurotunnel currently benefits from lower energy surcharge vs ferries



Channel passenger car market share – Eurotunnel still above ferries

- Eurotunnel's market share in Q3 remained above historical match with total ferry market share in mid high season
- DFDS maintained 50% of total ferry market as recovery of P&O Ferries reduced Irish Ferries' market share from 23% in July to 17% in September



Channel passenger market share – DFDS has maintained share

- Ferry market development:
 - PO Ferries down from 31% share in 2019 to 18% in 2022
 - DFDS has maintained total market share of 24%
 - Irish Ferries entered with 19% share of ferry market and 10% of total market
- Total market development:
 - Eurotunnel has increased share from 45% in 2019 to 49% in 2022

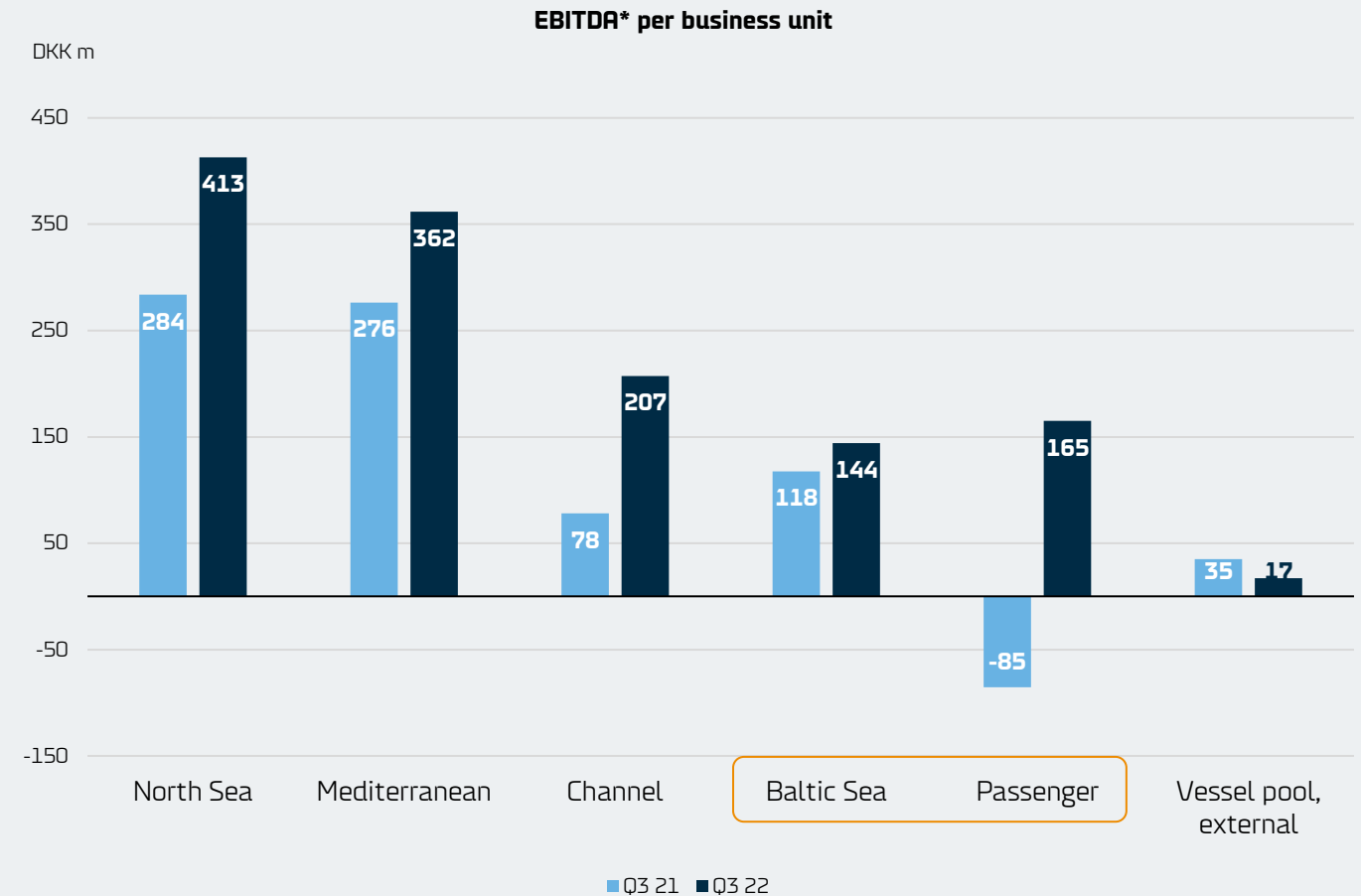
Channel, Dover Strait - passenger market shares

Mill	Q3 2019	Share ferry	Share total	Q3 2022	Index vs 2019	Share ferry	Share total
PO Ferries	2.2	57%	31%	1.0	43	35%	18%
DFDS	1.7	43%	24%	1.3	77	47%	24%
Irish Ferries	0	0%	0%	0.5	n.a.	19%	10%
Total ferry	3.9	100%	55%	2.8	71	100%	51%
Eurotunnel	3.1	n.a.	45%	2.6	83	n.a.	49%
Total Dover St	7.0	n.a.	100%	5.3	76	n.a.	100%

DFDS passenger numbers may diverge from numbers in Q3 report due to reporting differences vs market share data provider

All Ferry business units increased EBITDA

- **Baltic Sea** up 22% as lower operating costs and higher passenger earnings offset lower freight volumes
- **Passenger** up DKK 250m following the recovery in passenger volumes and increased average revenue per pax which partly offset a higher bunker cost



*Before special items

Logistics EBITDA up 91% to DKK 297m

- **Dry Goods** up 55% as margin improvement of previous quarters was sustained in Q3
- Most Nordic and Continent activities improved earnings
- UK & Ireland on level with 2021
- Continued high demand for warehousing
- **Cold Chain** increased DKK 90m to DKK 153m driven by HSF Logistics Group
- Improvements in Nordic and Continent
- Integration progressing as planned
- UK & Ireland on level with 2021

