WHAT WE DO
We move freight and passengers on ferry routes in Europe.
It’s all about the routes – and their location
Routes are part of Europe’s and Turkey’s infrastructure

And part of business supply chains
We mainly move fast moving freight for delivery same day, next day or day after (A,B,C)

85% of carried volumes are trailers
Our key freight customers are forwarders and hauliers

Manufacturers of heavy goods are also important customers
On 9 routes we move freight and passengers together.
People travelling by car are our key customers as is cruise passengers.
Both for holiday and transport purposes.
We also provide transport and logistics solutions to a wide range of businesses.
## Freight, logistics & pax – northern Europe & Mediterranean

### Key services

<table>
<thead>
<tr>
<th>Freight routes</th>
<th>Logistics solutions</th>
<th>Passenger routes</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Trailers, unaccompanied &amp; accompanied</td>
<td>▪ Door-door full &amp; part loads</td>
<td>▪ Overnight</td>
</tr>
<tr>
<td>▪ Industry solutions</td>
<td>▪ Contract logistics</td>
<td>▪ Day</td>
</tr>
<tr>
<td>▪ Port terminals</td>
<td></td>
<td>▪ Transport/holiday</td>
</tr>
</tbody>
</table>

### Share of Group revenue

- **Freight**
  - 80% freight
- **Passenger**
  - 20% pax
• **Ro-ro/ro-pax** shipping: roll on, roll off of freight units and passenger cars

• Routes carry both unaccompanied and accompanied trailers

• Other types of cargo, e.g. heavy industrial goods and containers, are placed on carrying equipment (mafis) and tugged on to the ship
FERRY TYPES

Day ferry (ro-pax), Channel

Freight ferry (ro-ro)

Cruise ferry

Combined freight and passenger ferry (ro-pax)
STRUCTURE & PERFORMANCE
**DFDS structure, ownership and earnings split**

### DFDS Group

<table>
<thead>
<tr>
<th>People &amp; Ships</th>
<th>Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shipping Division</strong></td>
<td><strong>Logistics Division</strong></td>
</tr>
<tr>
<td>• 23 ferry routes - freight and passengers</td>
<td>• Door-door transport</td>
</tr>
<tr>
<td>• 45 ferries</td>
<td>• Contract logistics</td>
</tr>
<tr>
<td>• 7 port terminals</td>
<td>• 5,600 trailers and 3,500 containers</td>
</tr>
<tr>
<td></td>
<td>• 2 sideport ships and VSA/SCA*</td>
</tr>
</tbody>
</table>

### DFDS facts

<table>
<thead>
<tr>
<th>Shareholder structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Founded in 1866</td>
</tr>
<tr>
<td>• Activities in 20 European countries and Turkey</td>
</tr>
<tr>
<td>• 8,000 employees</td>
</tr>
</tbody>
</table>

### Shareholder structure

- Lauritzen: 42%
- Free float: 56%
- Nasdaq Copenhagen
- Foreign ownership share: ~30%

### Revenue 2017-18 Q2 LTM per division

- **Shipping Division**: 10.2 DKK bn
- **Logistics Division**: 5.3 DKK bn
- Eliminations and other

### EBITDA 2017-18 Q2 LTM per division

- **Shipping Division**: 2.6 DKK bn (25.0% margin)
- **Logistics Division**: 0.3 DKK bn (5.9% margin)
- Non-allocated items

*Vessel sharing agreements/slot charter agreements on container ships*
DFDS key figures – impact from UNRR acquisition in 2018

Revenue

EBITDA & margin before special items

Margin, %

Invested capital & ROIC before special items

ROIC, %

Operating cash flow & NIBD/EBITDA

NIBD/EBITDA

DKK bn

0.0

0.5

1.0

1.5

2.0

2.5

3.0

0.0

0.5

1.0

1.5

2.0

2.5

3.0

0.0
SHIPPING

Business units & ROIC, Q2 LTM 2018

<table>
<thead>
<tr>
<th>Region</th>
<th>ROIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Sea</td>
<td>16%</td>
</tr>
<tr>
<td>Baltic Sea</td>
<td>31%</td>
</tr>
<tr>
<td>Channel</td>
<td>20%</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>2%</td>
</tr>
<tr>
<td>Passenger</td>
<td>20%</td>
</tr>
</tbody>
</table>

Q2 LTM 2018: Shipping Division

- **Revenue**
- **EBIT**

- Blue: North Sea
- Orange: Baltic Sea
- Light Blue: Channel
- Light Orange: Mediterranean
- Grey: Passenger
IT’S ALL ABOUT THE ROUTE
## FERRY ROUTE CAPACITY DYNAMICS

- Stepwise addition of ferries on a route leverages capacity significantly.

<table>
<thead>
<tr>
<th>Route</th>
<th>No. of ships on route today</th>
<th>Minimum required no. of ships for entry</th>
<th>Capacity impact of entry*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dover-Calais</td>
<td>8</td>
<td>3</td>
<td>38%</td>
</tr>
<tr>
<td>Gothenburg-Immingham</td>
<td>3</td>
<td>2</td>
<td>67%</td>
</tr>
<tr>
<td>Fredericia- Copenhagen-Klaipeda</td>
<td>1</td>
<td>1</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Assuming entered ships are identical to incumbent ships and same no. of departures per ship.

### Freight Infrastructure

- **Port terminal**
- **Bridge**
- **Tunnel**
- **Road**
- **Rail**
LOGISTICS

Business units & ROIC, Q2 LTM 2018

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Continent</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>UK &amp; Ireland</td>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>

Q2 LTM 2018 Logistics Division

- **Nordic**
- **Continent**
- **UK & Ireland**
BREXIT
Some slowdown in UK-EU trade growth in 2018

- **EU growth scenario** continues to mitigate uncertainty related to Brexit
- Lift in UK export growth to EU post Brexit vote leveling off but still above pre-Brexit level
- **Volume growth divergence** between North Sea and Channel is continuing in 2018 due in part to shortage of drivers
DFDS is planning for two scenarios

**Hard Brexit**
March 19, 2019

- UK departs the EU at 11pm UK time
- UK gives up full access to the single market and full access of the custom union with the EU
- Likely fall back on World Trade Organisation (WTO) rules for trade with its former EU partners

**Transition period Brexit**
December 31, 2020

- Transition period to allow UK to get most in place and allow businesses and others to prepare for the new post-Brexit rules between the UK and the EU (31 Dec, 2020)
- Free movement will continue during the transition

“UK could stay in EU customs union for years after Brexit transition”
- https://www.politico.eu quoting senior U.K. and EU officials
Actions to mitigate possible Brexit impacts

- **Key risk** is development of UK GDP growth as trading volumes are linked to GDP

- **UK supply chains** closely integrated with Continental Europe

- Freight customers are asking for advice

- Import customers are considering to **increase stocks** in UK ahead of March 2019...

- ...vice versa for UK exporters

- **Upside** from new services – customs clearance, standage and duty-free

### Possible hard Brexit impacts
- Cumbersome customs process
- Congestion in ports
- Reduction in trade volumes
- Increase in unaccompanied trailer volumes

### DFDS actions
- Cost recovery, pass-through agreements
- Increasing staff with customs clearance expertise
- Offer customs clearance services
- Upgrading IT customs systems
- Expanding port terminals in Vlaardingen, Felixstowe and Immingham
- Dover/Calais options under review
- Offer duty-free sales
MEDITERRANEAN
Mediterranean expansion through acquisition of U.N. Ro-Ro

- **Leading freight ferry company** with 34% market share of ferry & road market and 60% market share of ferry market

- **High growth** region

- Similar unaccompanied ferry business model and fleet create opportunities for synergies

- Increased flexibility of fleet deployment in route network as well as **synergies** in vessel investments

- **Profitable company** with expected EBITDA of around EUR 97m in 2018
U.N. Ro-Ro owns 60% of Port of Trieste's operator (Samer Seaports Company), owns the company that has the concession agreement.

Pendik port is fully owned.

Source: U.N. Ro-Ro
U.N. Ro-Ro overview

**Business overview**

- Established 1994, #1 freight ferry operator in Turkey in terms of market share, number and capacity of vessels
- 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 figures**

| Vessels | 12 (total capacity of 45.4km lanemeters) |
| Ports | Owns Pendik and Trieste Port¹, operates in Ambarli, Toulon, Mersin and Bari |
| Fleet age | 11 years |
| Market share | 34% between Turkey and EU |

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

- 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

(¹) Owns company that has the concession agreement for Trieste port
Source: U.N. Ro-Ro Corporate Presentation, Company data and press releases
Ferry expected to continue to gain market share vs road

- Truck investment needs for forwarders and hauliers reduced by using unaccompanied ferry solution

- Ferry also competitive vs driving through Balkan region:
  - Transit time and costs
  - Border crossings and customs formalities
  - Security issues
  - Permit and visa issues
  - Limited investment in road infrastructure
  - Congestion

- Ferry’s market share increased from 49% in 2013 to 55% in 2017

Source: Economist Intelligence Unit (EIU) 2018
EU is important and balanced trade partner with Turkey

Turkey’s top trade partners (2017)

<table>
<thead>
<tr>
<th>Country</th>
<th>(US$bn)</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>40</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>China</td>
<td>20</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>Russia</td>
<td>15</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>US</td>
<td>10</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Italy</td>
<td>8</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>UK</td>
<td>8</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>UAE</td>
<td>6</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>France</td>
<td>6</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Spain</td>
<td>6</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Iran</td>
<td>4</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Iraq</td>
<td>4</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Switzerland</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Netherlands</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>South Korea</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>India</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Belgium</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Poland</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Romania</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Japan</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Israel</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Macro Advisory Partners 2018

Turkish trade market share
Turkey - inflation and exchange rate development of TRY

- TRY-depreciation is linked to high **inflation** rates in Turkey:
  - 2016: 8%
  - 2017: 11%
  - 2018 ytd: 16%

- Turkey’s real **GDP** was up 7% in Q1

- FY GDP forecast at around 4% before TRY dropped in August
**Turkey – impact of TRY depreciation on DFDS finance items**

- Finance items impacted by ‘one-off’ currency loss on debtors
- Mediterranean’s *prices are set in EUR* to protect revenue development
- Invoicing in TRY implies, however, *currency risk* in 60 day payment period for debtors
- **TRY exposure** on debtors of around DKK 300m
- ‘One-off’ currency loss in Finance items of around DKK 114m incurred until 30 Aug:
  - June: DKK 6m
  - July: DKK 27m
  - August 30: DKK 81m
Turkey trading, indexed import/export \textbf{ro-ro volumes}, and exchange rate TRY/EUR

\textbf{Crisis 1}
Banking led crisis starting in Nov 2000

5.7\% drop in GDP in 2001

EUR/TRY depreciated 91\% in 2001

\textbf{Crisis 2}
Global financial crisis

EUR/TRY depreciated 7\% in 2008 and 13\% in 2009

\textbf{Crisis 3}
Political unrest 2013-14

EUR/TRY depreciated 9\% in 2013 and 15\% in 2014

\textbf{Crisis 4}
Depreciation sparked by conflict with USA
Turkey – impact of TRY depreciation on trading

- **Export volumes** increased 17% Jan-May 2018 while import volumes were up 3%

- **Currency depreciation** is impacting import volumes – once TRY is stabilised imports are expected to resume but likely at a lower level until domestic demand recovers

- **Export volume growth** expected to mitigate impact from imbalance/reduced import volumes

- Also mitigation from import of **semi-manufactured goods** used as parts in Turkish manufacturing plants – such imports comprise more than 50% of import volumes carried on DFDS routes

- With the current visibility, EBITDA outlook **unchanged** based on the ‘early’ consolidation of UNRR as of 7 June
KEY FOCUS AREAS

2018
### Key growth and efficiency events shaping 2018 & beyond

#### Growth from acquisitions
- Special Cargo: operator of flatbed trailers in Europe, consolidated 3 January 2018
- U.N. Ro-Ro: freight ferry routes connecting Europe and Turkey, completed 7 June 2018
  - Integration expected to be completed in 2018
- Financial flexibility maintained to pursue further opportunities

#### Growth from ferry new building orders
- 6 freight ferries (ro-ro), from early 2019
- 2 combined freight and passenger ferries (ro-pax), from 2021
- 1 Channel ferry, 10-year bareboat charter, from 2021

#### Operational efficiency
- Italian logistics activities restructured
- Boost projects for challenged logistics activities
- Corporate functions restructured
- Rosyth-Zeebrugge route closed
- Starlight: On board customer service and revenue project

#### Digital
- Ongoing investment in digital customer solutions
- Realise long-term digital strategy
APPENDICES
KEY NORTHERN EUROPEAN FERRY COMPANIES
**DFDS fleet overview and key figures 2017**

<table>
<thead>
<tr>
<th></th>
<th>Total ships</th>
<th>Ro-ro ships</th>
<th>Ro-pax ships</th>
<th>Passenger ships</th>
<th>Container and sideport ships</th>
<th>Ownership share, %</th>
<th>Average age of owned ships, yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DFDS Group</strong></td>
<td>64</td>
<td>22</td>
<td>18</td>
<td>4</td>
<td>20</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Shipping Division</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Sea</td>
<td>40</td>
<td>22</td>
<td>14</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Baltic Sea¹</td>
<td>9</td>
<td>2</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>67</td>
<td>16</td>
</tr>
<tr>
<td>Channel</td>
<td>6</td>
<td>-</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>15</td>
</tr>
<tr>
<td>Passenger</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>100</td>
<td>28</td>
</tr>
<tr>
<td>France &amp; Mediterranean¹</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>33</td>
<td>17</td>
</tr>
<tr>
<td><strong>Logistics Division¹</strong></td>
<td>20</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nordic¹</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6</td>
<td>33</td>
<td>19</td>
</tr>
<tr>
<td>Continent¹</td>
<td>14</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Chartered out ships</td>
<td>3</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>23</td>
</tr>
<tr>
<td>Laid-up ships</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>-</td>
</tr>
</tbody>
</table>

¹ Includes VSAs (vessel sharing agreements) and SCAs (slot charter agreements)
Freight ferry capacity (ro-ro) – total down, large ships growing

- Freight ferry (ro-ro) capacity expected to decrease 2% in 2017 driven by smaller ships
- CAGR of -2.4% in global LM capacity since 2009 due to:
  - Consolidation of volumes around hubs
  - Increased utilization on large ships
  - Large ships with lower unit costs replace smaller ships
  - Ongoing scrapping of older and smaller ships
- Number of ships likewise declining as is availability of ferries for potential ‘speculative’ entrants
- Order book consists primarily of orders from Cobelfret and DFDS
Ferry capacity (ro-pax) – stable, large ships growing

• Ferry (ro-pax) capacity expected to remain flat in 2017 as increase in capacity of large ships is balanced by decrease for smaller ships

• CAGR of -0.8% in global LM capacity since 2009 due to:
  • Same drivers as for freight ferries...
  • ...mitigated by a positive impact from ro-pax ferries with large freight capacity replacing traditional ferries aimed at passenger market

• Decline in number of ships exceeds capacity decline due to growth of large ships

• Order book consists primarily of orders from Stena Line
Orders for own routes set to maintain stable ferry market

- Trend towards larger ships set to continue as ferry operators order ships for own route networks
- New build prices at low point
- DFDS requirements for 2018-2022 for ongoing renewal, efficiency and capacity growth to accommodate demand:
  - North Sea/Mediterranean: 6 ro-ros
  - Baltic Sea: 2 ro-paxes
  - Channel: 1 day ferry ro-pax
  - Passenger: decision on 4 ships for either further life extension or purchase and rebuild of secondhand ships (new builds a possibility beyond 2022)
- Financing of freight ferries and ro-paxes can be ownership or BB-charter

<table>
<thead>
<tr>
<th>Shipping Division: Fleet overview 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total ships</td>
</tr>
<tr>
<td>Shipping Division</td>
</tr>
<tr>
<td>North Sea</td>
</tr>
<tr>
<td>Baltic Sea¹</td>
</tr>
<tr>
<td>Channel</td>
</tr>
<tr>
<td>Passenger</td>
</tr>
<tr>
<td>France &amp; Med¹</td>
</tr>
</tbody>
</table>

¹ Includes VSAs (vessel sharing agreements) and SCAs (slot charter agreements)

**Dry-cargo¹ newbuilding price index**

Source: Clarksons Platou

¹ Dry cargo includes containerships, multi purpose vessels, ro-ro and pure car carriers
Diverse customer base: forwarders, manufacturers & passengers

- **Passengers**: 21%
- **Forwarders** (transport & logistics): 36%
- **Manufacturers** (shipping): 5%
- **Manufacturers** (transport & logistics): 32%
- **External charterers**: 3%
- **Port terminal customers**: 3%

Percent of total revenue per customer segment
DFDS’ freight business model integrates routes and logistics

- DFDS’ logistics activities have a narrow scope of full/part load solutions
- Own logistics provides access to market intelligence and ability to allot volumes between own and external routes for capacity optimisation
- Around 20% of routes’ freight revenue from own shipping logistics and full/part load solutions

<table>
<thead>
<tr>
<th>Manufacturers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy industrial goods</td>
</tr>
<tr>
<td>Other industrial goods</td>
</tr>
<tr>
<td>Consumer goods</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DFDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipping logistics solutions for heavy goods, primarily out of Scandinavia</td>
</tr>
<tr>
<td>Full/part load solutions focused on own route network corridors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Freight forwarders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global providers: DHL, DSV, K&amp;N, Schenker, etc.</td>
</tr>
<tr>
<td>Regional providers: NTEX, Ewals, LKW Walther, Vlantana</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DFDS ferry route infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltic Sea</td>
</tr>
</tbody>
</table>

DFDS ferry route infrastructure