

Q1 2022 investor call

Good start to 2022



11 May 2022





Content

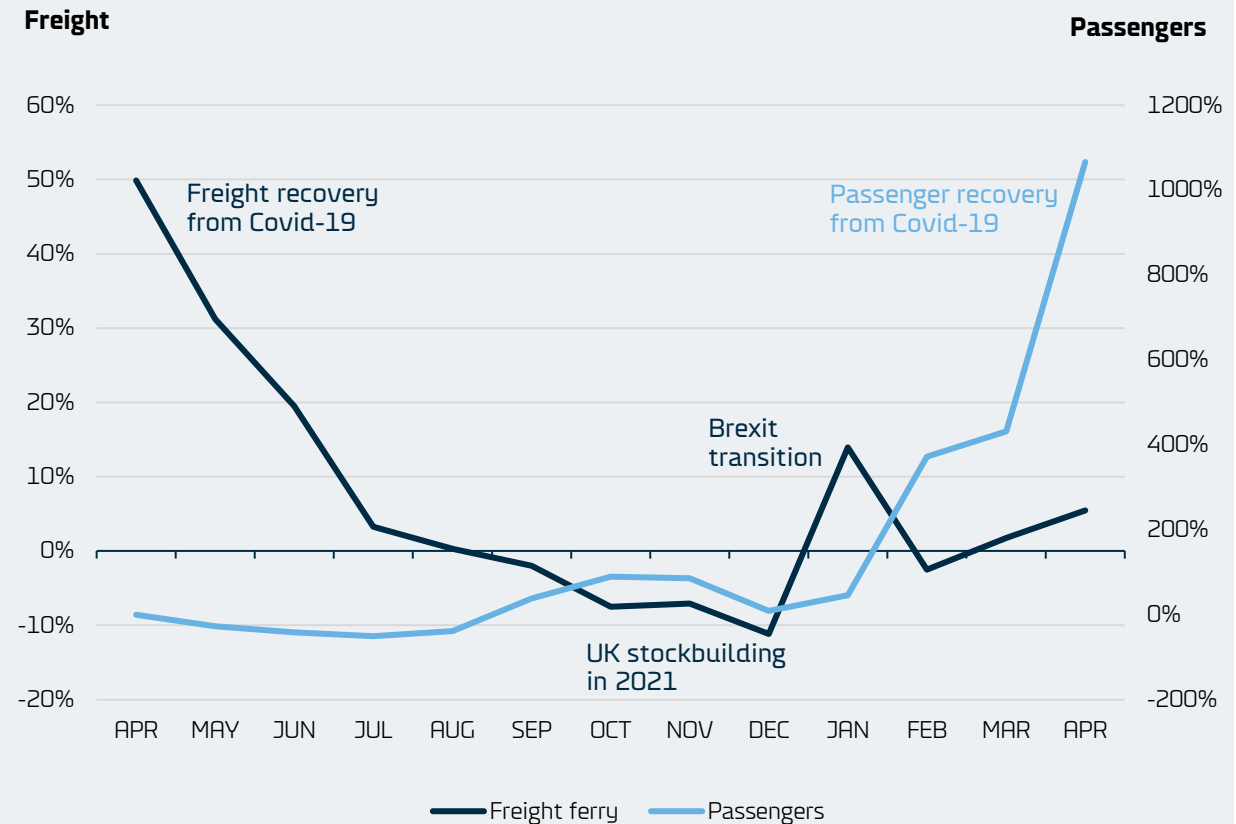
- Q1 overview
- Q1 numbers
- 2022 outlook

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.

Well under way to raise earnings more than 20% in 2022

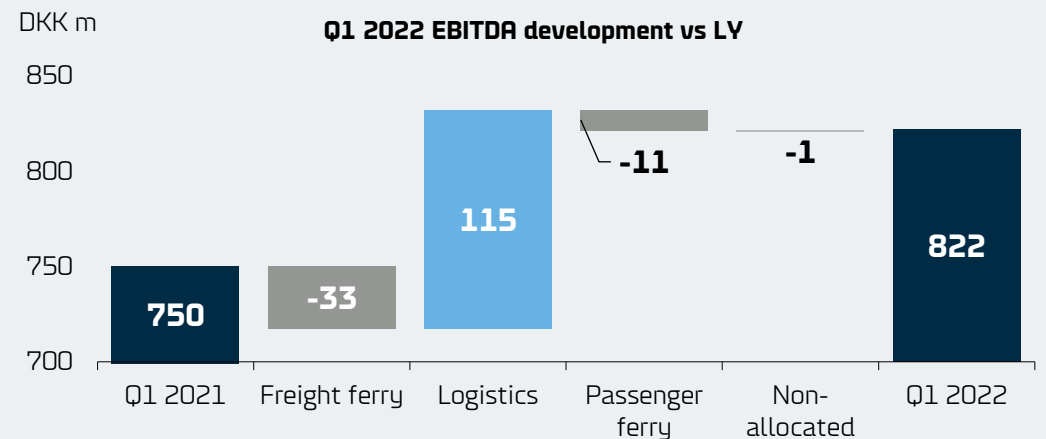
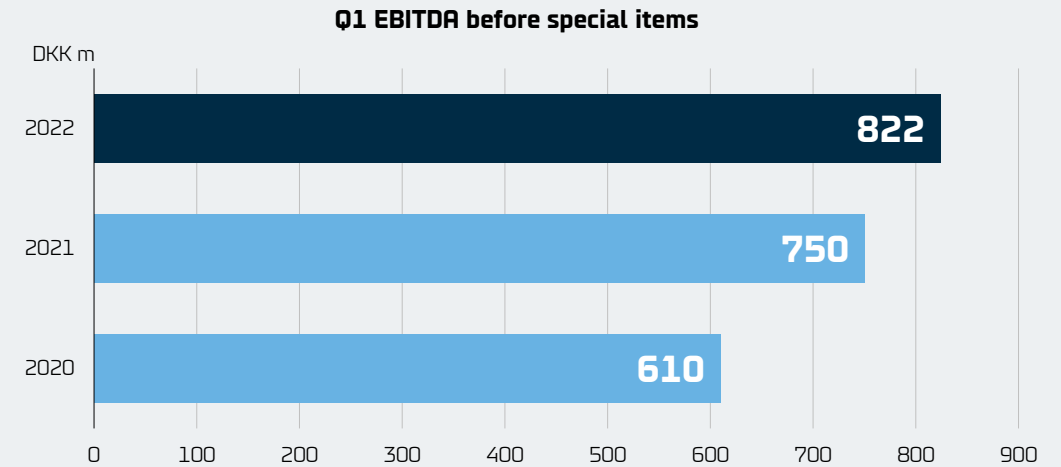
- **Q1 results** in line with expectations
- **Logistics** EBITDA doubled by HSF Logistics Group and higher margins
- **Ferry's** underlying EBITDA growth positive adjusted for DKK 80m income from Q1 2021 Brexit standby agreements
- **Passenger** recovery ahead of expectations
- **War in Ukraine** direct impact on Baltic activities and indirect impacts on energy pricing and supply chain shortages

Ferry volumes, y/y-change - 2022-21



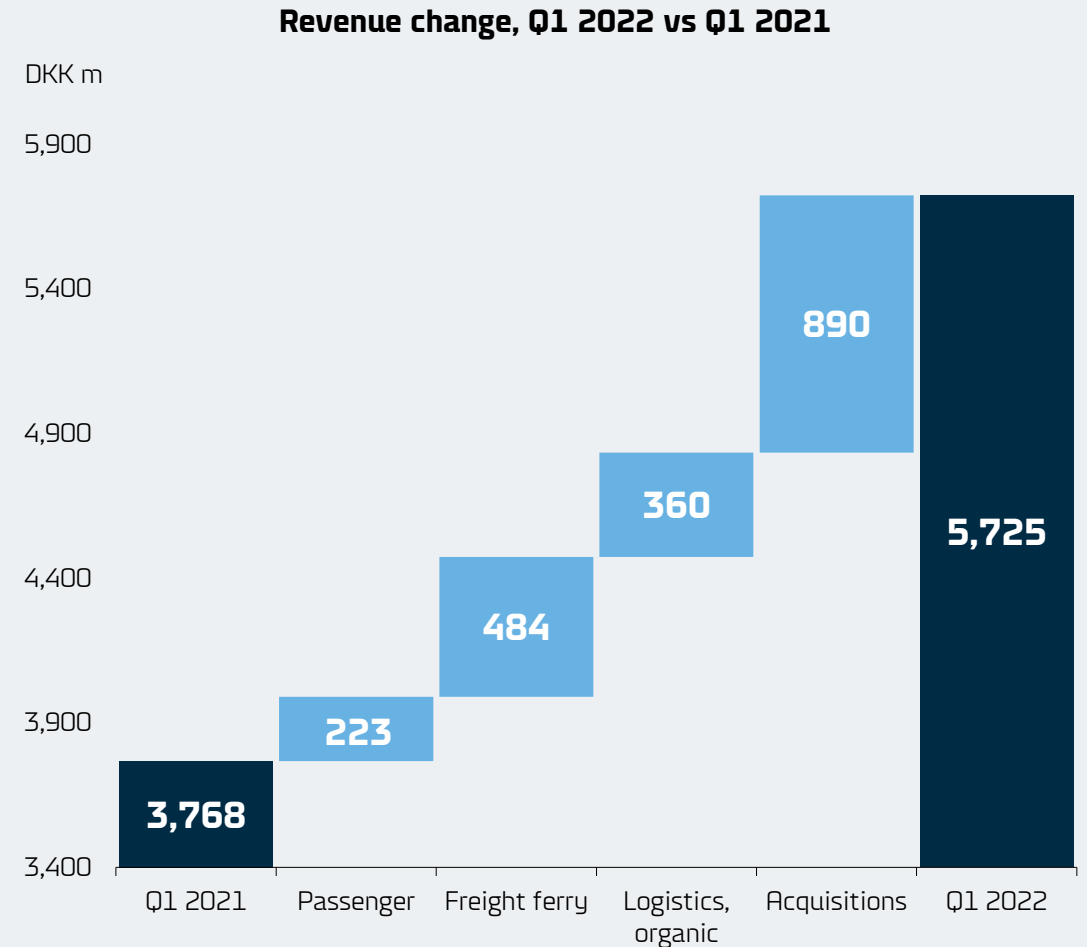
Q1 2022 – earnings growth held back by 2021 Brexit standby income

- **DFDS Group** revenue up 52% and EBITDA up 9% to DKK 822m
- Profit conversion impacted by Oslo-Frederikshavn-Copenhagen re-opening, rising oil surcharges, and Brexit standby income
- **Ferry freight** EBITDA of DKK 702m down 4% due to war in Ukraine and Brexit standby income in 2021
- **Passenger** EBITDA of DKK -104m down 12% due to Oslo-route re-opening
- **Logistics** EBITDA more than doubled from HSF plus growth and higher margins



Revenue growth boosted by acquisitions and passenger recovery

- **Revenue** up 52% driven by:
 - Recovery of **passenger** volumes, including re-opening of Oslo-Frederikshavn-CPH
 - **Freight ferry** volume growth plus considerable oil surcharge increase as low-sulphur price (MGO) was up 99%
 - **Logistics organic** growth from higher prices and surcharges, including fuel and EU Mobility package
 - **Acquisitions:** HSF Logistics Group and ICT Logistics



Q1 2022 income statement

- **EBITDA** up 9% driven by freight. Revenue components with no or negative profit conversion: Oil/fuel surcharges, passenger revenue due to OFC re-opening, Brexit standby revenue
- Margin further diluted by increase in Logistics' share of revenue
- **Depreciation** up DKK 138m. Half from HSF, remainder driven by more leased ferry and logistics capacity
- **Finance** cost reduced DKK 9m by positive variance on currency adjustments

DFDS Group P/L DKK m	Q1 21	Q1 22	Δ	Δ
Revenue	3,768	5,725	1,957	52%
EBITDA*	750	822	71	9%
<i>Margin</i>	<i>19.9%</i>	<i>14.4%</i>	<i>-5.6%</i>	
<i>Ferry Division</i>	<i>641</i>	<i>598</i>	<i>-44</i>	<i>-7%</i>
<i>Logistics Division</i>	<i>101</i>	<i>216</i>	<i>115</i>	<i>114%</i>
<i>Non-allocated</i>	<i>8</i>	<i>7</i>	<i>-1</i>	<i>n.a.</i>
P/L associates	-3	-4	-1	n.a.
Gain/loss on assets	1	4	4	458%
Depreciation	-470	-608	-138	29%
EBIT*	278	214	-64	-23%
<i>Margin</i>	<i>7.4%</i>	<i>3.7%</i>	<i>2.9%</i>	
Finance	-77	-68	9	-12%
Profit before tax*	202	147	-55	-27%
Tax	-20	-34	-15	74%
Profit after tax*	182	112	-70	-38%
Special items	-10	2	12	n.a.

*Before special items

Q1 capital overview – last ferry newbuilding delivered

- **Assets** increased DKK 4.6bn mainly due to HSF consolidation and newbuildings
- **Operating cash flow** up 59% to DKK 0.9bn. Investments of DKK 1.0bn includes DKK 0.5bn for last Ro-pax newbuilding
- **NIBD** up 28% to DKK 14.6bn mostly due to acquisitions and newbuildings
- NIBD/EBITDA-ratio at 4.0* expected to decrease towards target range in 2022
- **ROIC** (LTM)** of 4.5% includes significant negative impact from lack of passengers

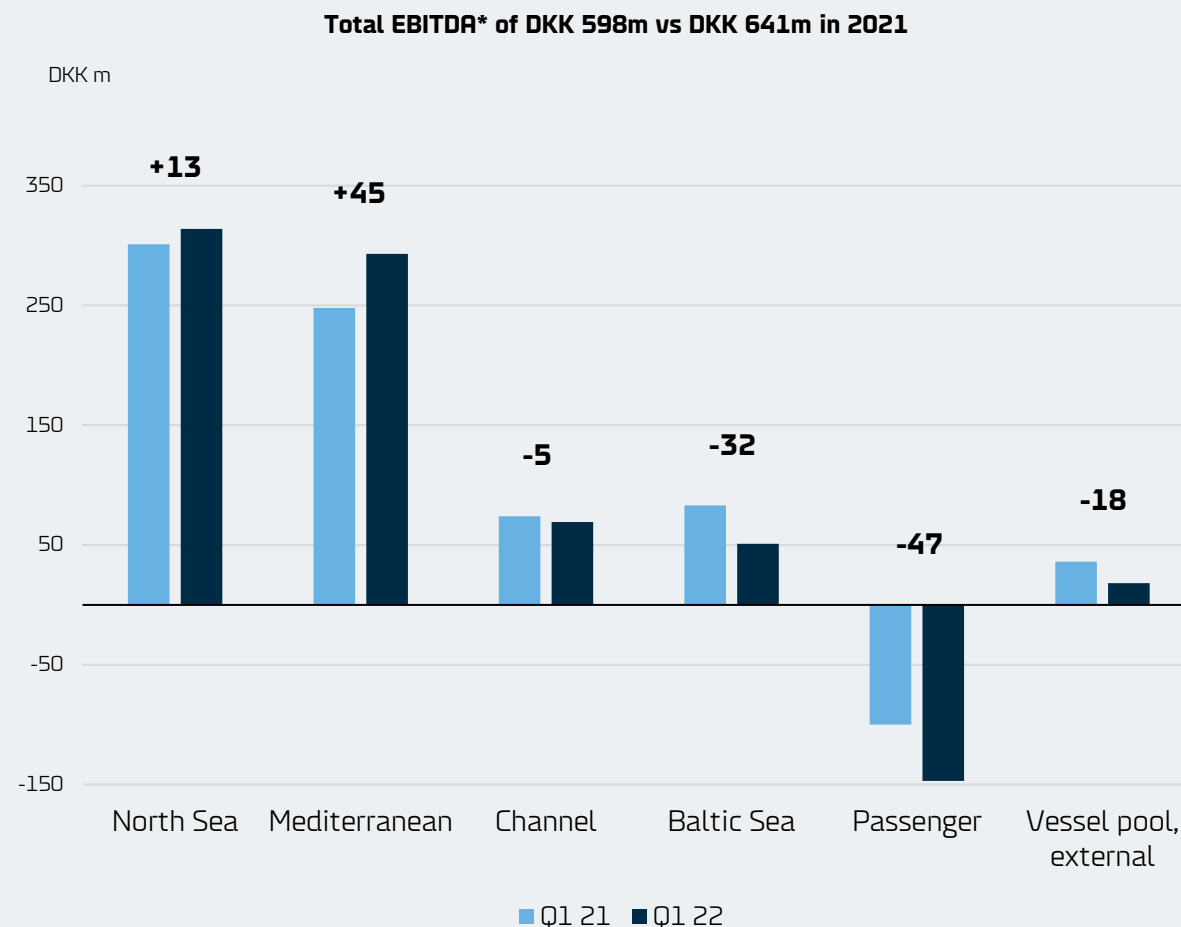
DKK m	Q1 21	Q1 22	Δ	Δ
Non-current intangible assets	4,899	6,267	1,368	28%
Non-current tangible assets	16,971	20,158	3,188	19%
Total assets	27,820	32,450	4,630	17%
Working capital	375	-46	-420	n.a.
Cash flow				
Operating cash flow	538	858	320	59%
Investments, total	-347	-953	-606	175%
<i>Operating</i>	-151	-429	-278	185%
<i>Ferries, sale/purchase/newbuildings</i>	-196	-489	-293	149%
<i>Acquisitions</i>	n.a.	-35	n.a.	n.a.
Adjusted free cash flow	-50	-500	-450	n.a.
Key figures				
Average no. of employees	7,965	10,832	2,867	36%
ROIC before special items	4.2%	4.5%	0.3%	n.a.
NIBD	11,435	14,638	3,203	28%
NIBD/EBITDA, times	4.0	4.0	0.0	n.a.
Equity ratio	39.1%	35.3%	-3.8%	n.a.
Invested capital, avg.	22,291	25,897	3,606	16%

*Including HSF pro forma EBITDA for LTM

**Before special items

Ferry Division – positive underlying development

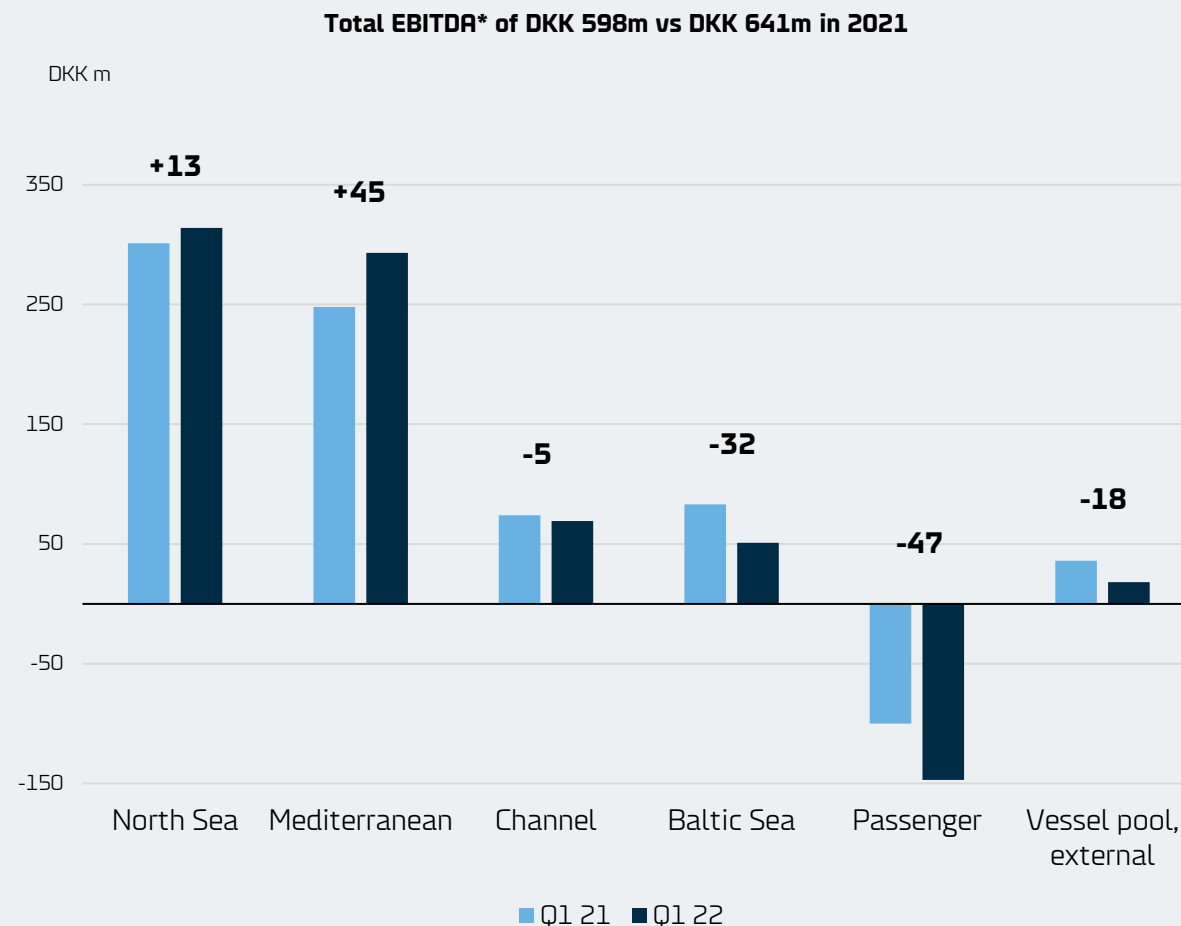
- **North Sea** up DKK 13m despite Brexit standby agreement income in Q1 2021. Underlying improvement driven by 5% higher volumes and RPM growth
- **Mediterranean** up DKK 45m driven by 12% higher volumes and more revenue from terminal and rail services. Capacity expanded with three ferries
- **Channel** down DKK 5m; ahead of LY adjusted for Brexit standby agreement Q1 2021
- Increase from passenger recovery
- Freight impacted by overcapacity on Dover routes. Temporary suspension of one competitor's operations from 17 March



*Before special items

Ferry Division – Baltic impacted by war in Ukraine

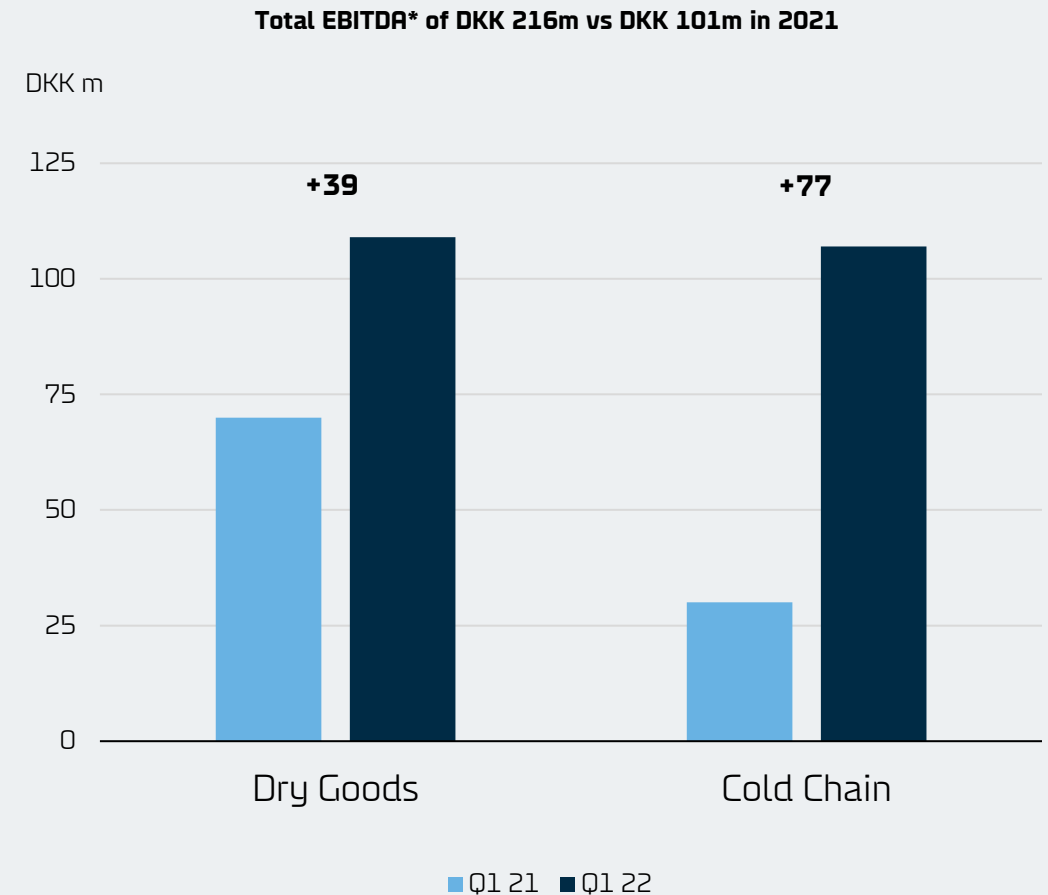
- **Baltic Sea** down DKK 32m as war in Ukraine reduced freight volumes between mainly Germany and Lithuania
- Ferry running costs increased by high number of dockings and deployment of replacement ferries to maintain capacity
- **Passenger** down DKK 47m
- Positive impact from increase in passengers outweighed by re-opening of Oslo-Frederikshavn-Copenhagen in low season market with volumes still recovering from Covid-19
- Bunker cost increased



*Before special items

Logistics - earnings lifted by HSF and higher Dry Goods margin

- **Dry Goods** up DKK 39m driven by improved cost coverage from increased prices and surcharges related to fuel and EU Mobility Package
- Performance improved across Nordic, Continent and UK & Ireland regions
- Start-up of Borås warehouse and DFDS Professionals
- **Cold Chain** up DKK 77m driven by addition of HSF Logistics Group
- Initial negative impact from EU Mobility Package and truck driver shortages in DK/NO
- UK cold chain activities impacted by seafood harvesting issues in Scotland



2022 OUTLOOK

Outlook 2022 – revenue growth raised to around 30%

- **Revenue** growth raised to around 30% from previously 23-27%
- Increase mainly due to significantly higher revenue from oil surcharges
- **Passenger** EBITDA: 60% of Covid-19 earnings decrease expected regained – up from previously 50%
- **Baltic** activities negatively impacted by war in Ukraine
- **Channel** positively impacted by temporary suspension of a competitor's sailings

DKK m	Outlook 2022	2021
Revenue growth	Around 30%	17,869
EBITDA before special items	3,900-4,400	3,411
<i>Per division:</i>		
Ferry Division	3,050-3,450	2,853
Logistics Division	900-1,000	593
Non-allocated items	-50	-35
Investments	-2,300	-3,210
<i>Types:</i>		
Operating	-1,400	-975
Ferries: sale & purchase and new-buildings	-800	-490
Acquisitions	-100	-1,745

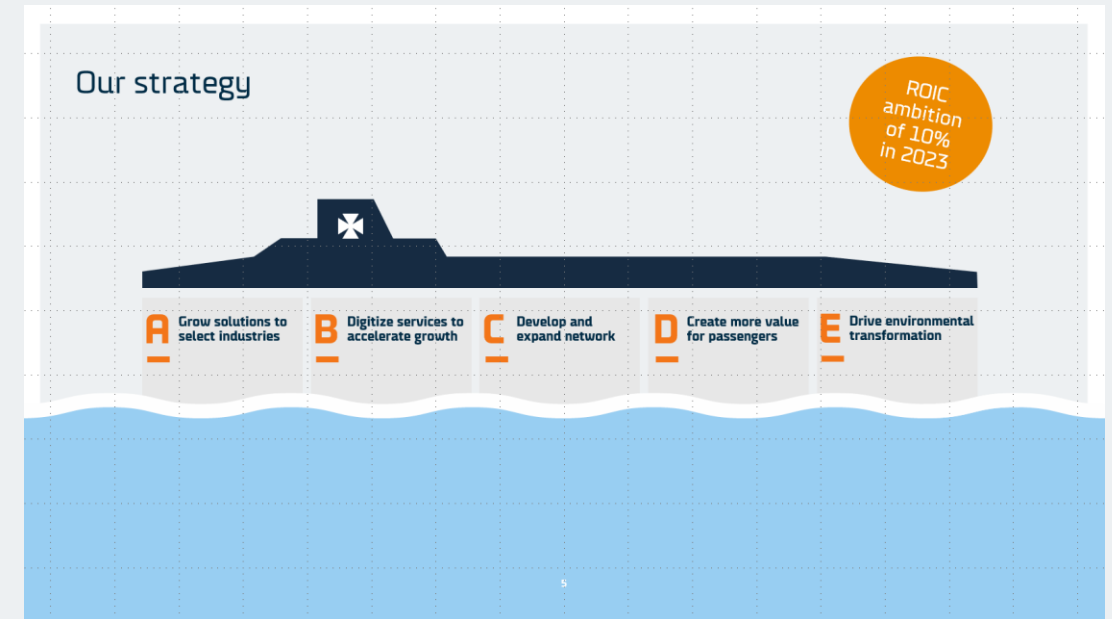
Key ESG focus areas in 2022

- Project **Green Ferry** 2025 progressing
- Deployment planning for 125 **electric trucks**
- Focus on **female gender ratio** – ahead of target in offices, lagging in non-office functions
- **Health & Safety** organisation strengthened to improve awareness and enforce preventive actions



Key current priorities

- **Cost** coverage
- Adapt to EU **Mobility** Package
- Monitor **haulage supply** and plan for possible bottlenecks
- **Passenger** recovery: Regain volumes, duty-free sales, optimise new concepts
- **Baltic** Sea newbuilding deployment
- **ESG** - environmental transformation, safety, diversity & inclusion



Q&A

