Increasing freight earnings

Q3 2020

12 November 2020

DFDS

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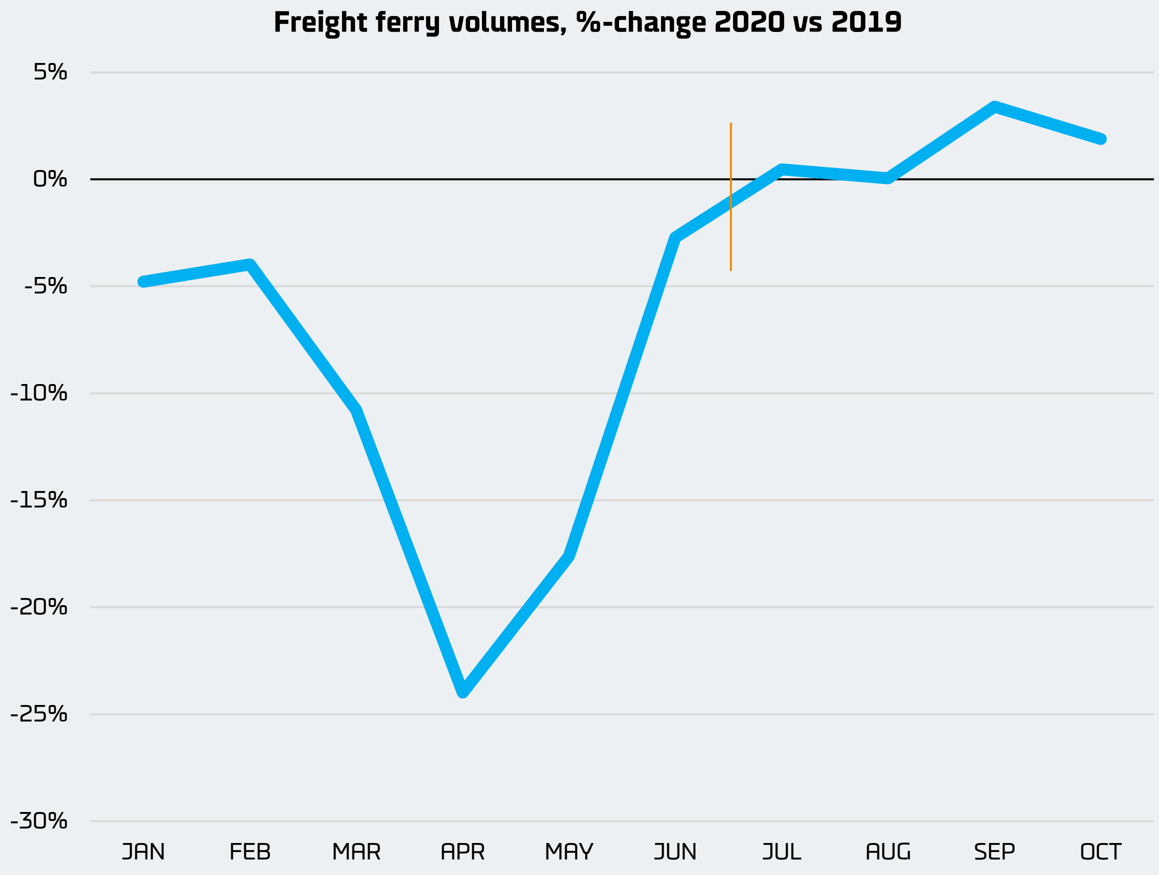
The statements about the future in this announcement contain risks and uncertainties.
This entails that actual developments may diverge significantly from statements about the future.

Q3 above forecast as freight grows and adaptations take effect

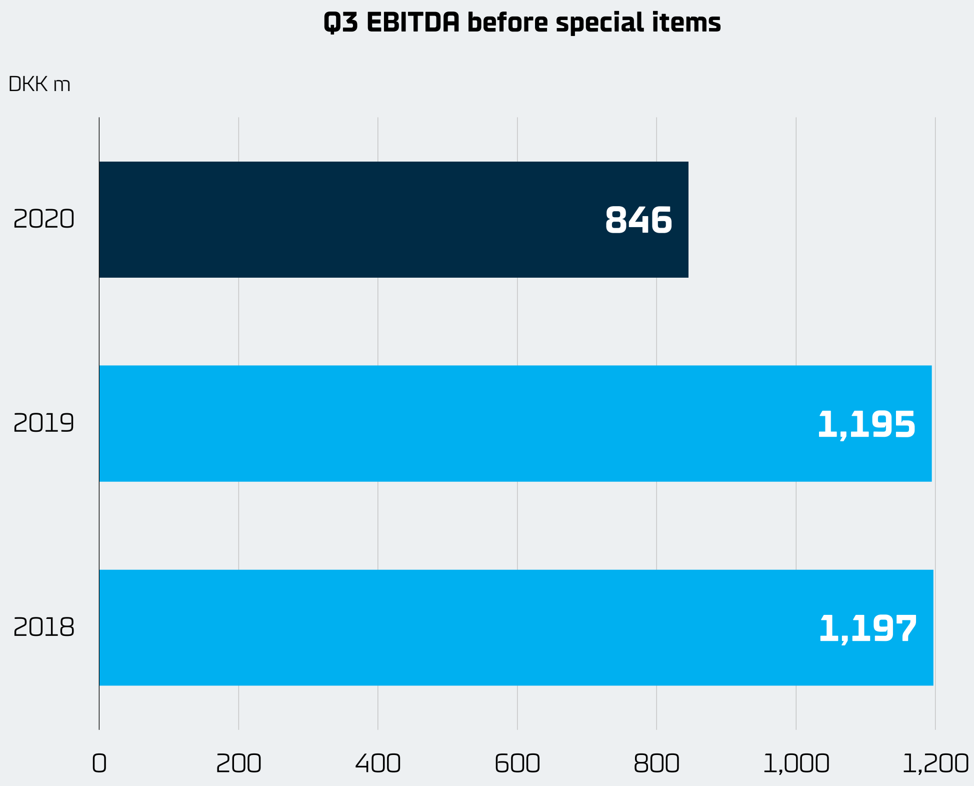
- Continued focus on keeping operational locations **safe**, including ships
- Q3 **freight** ferry volumes up 1%* vs 2019 – October volumes up 2%*
- **Efficiency** enhanced by adaptation of operations and business structure
- **Passenger** volumes reduced by tighter travel restrictions



*Adjusted for closure of Paldiski-Hanko

Q3 earnings: Freight increased, passenger severely reduced

- **Group** revenue down 20% and EBITDA down 29% vs 2019
- EBITDA decrease of DKK 349m includes **passenger** decrease of DKK 445m
- Ferry **freight** EBITDA up DKK 87m driven by adaptation of operations and organisation
- **Logistics** EBITDA up 36% or DKK 39m as lower costs improved margin 3 ppt
- **Non-allocated** items down DKK 30m with HQ savings allocated to business units in Q3



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Q3 2020 income statement

- **Revenue** decrease of 20% driven by lower passenger revenue
- **EBITDA** down 29% due to the lower passenger earnings. Margin increased for both freight ferry and logistics activities
- **Depreciation** lowered 4% as the return of chartered ships more than offset addition of newbuildings
- **Finance** cost decreased DKK 8m due to a positive variance on currency adjustments of DKK 12m
- **Special items** of DKK -62m due to restructuring costs related to mainly adaptation of Ferry Division

DFDS Group P/L DKK m	Q3 19	Q3 20	Δ	Δ
Revenue	**4,472**	**3,598**	**-875**	**-20%**
EBITDA*	**1,195**	**846**	**-349**	**-29%**
Margin	*26.7%*	*23.5%*	*-3.2%*	
Ferry Division	*1,092*	*735*	*-358*	*-33%*
Logistics Division	*106*	*145*	*39*	*36%*
Non-allocated	*-4*	*-34*	*-30*	n.a.
P/L associates	-1	-2	-1	n.a.
Gain/loss on assets	2	1	-1	-33%
Depreciation	-477	-458	19	-4%
EBIT*	**719**	**388**	**-331**	**-46%**
Margin	*11.6%*	*14.5%*	*2.9%*	
Finance	-72	-64	8	-11%
Profit before tax*	**647**	**324**	**-323**	**-50%**
Tax	-14	-18	-4	29%
Profit after tax*	**633**	**306**	**-327**	**-52%**
Special items	-2	-62	-60	n.a.

*Before special items

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Q3 capital overview and key figures

- **PPE** increase of DKK 0.8bn, of which 58% related to newbuildings
- Rest of increase mainly due to port terminal and land & buildings contract extensions
- **Working capital** reduced DKK 396m vs 2019 mostly by lower Mediterranean receivables, reduced activity and drop in bunker inventories
- **Cash flow** – positive adjusted free cash flow of DKK 313m, incl. positive working capital impact
- **ROIC (LTM)** decreased to 3.5% following large decrease in ROIC of passenger services
- **NIBD/EBITDA**-ratio was 4.3 which is well within updated bank agreement

DKK m	Q3 19	Q3 20	Δ	Δ
PPE*	16,370	17,137	767	5%
Total assets	**25,844**	**26,707**	**863**	**3%**
Working capital	**477**	**81**	**-396**	**-83%**
Cash flow				
Operating activities, gross	772	936	164	21%
Investments, net	-308	-456	-148	48%
Adjusted free cash flow	255	313	58	23%
Key figures				
Average no. of employees	8,307	8,283	-24	0%
ROIC before special items	9.0%	3.5%	-5.5%	n.a.
Invested capital, end	21,726	22,412	686	3%
NIBD	11,450	11,736	286	2%
NIBD/EBITDA, times	3.2	4.3	1.1	n.a.
Equity ratio	39.2%	39.4%	0.1%	n.a.

*Property, plant and equipment

*Before special items

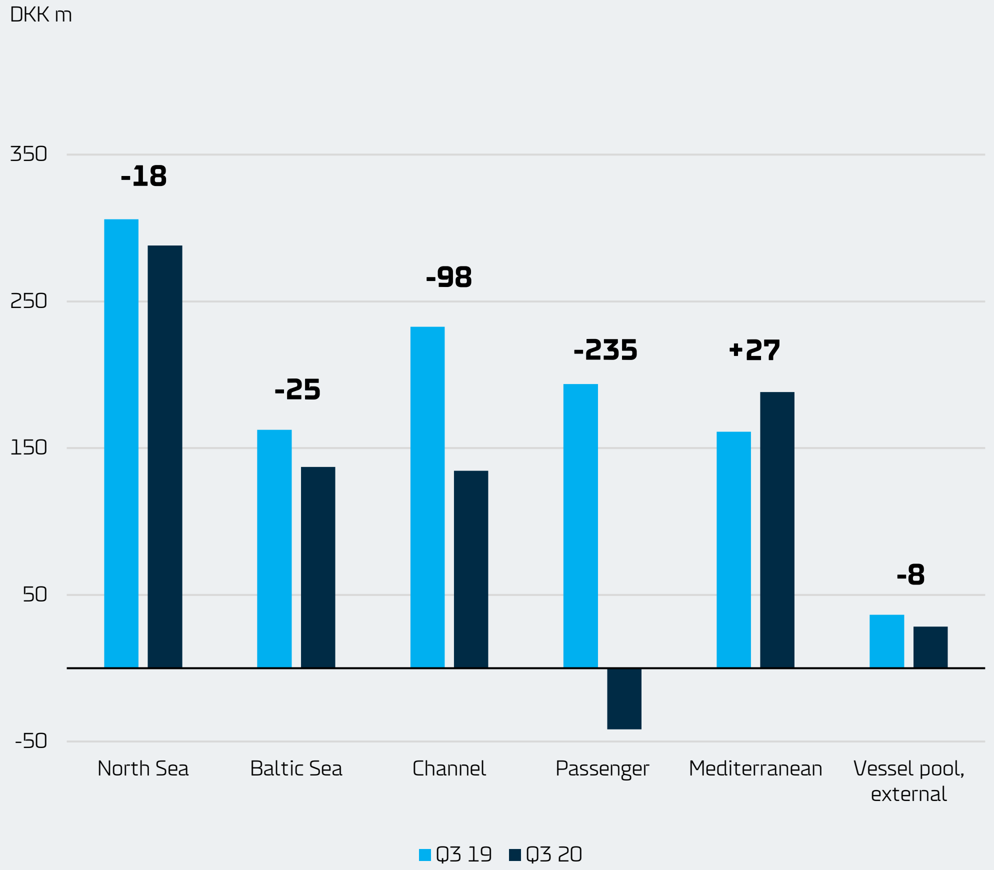
Ferry - freight volumes recovered to above 2019 through the quarter

- **North Sea** down DKK 18m. Volumes up 2%. More efficient route set-ups due to newbuildings. Recovery in automotive volumes and positive impact from Brexit stockbuilding. Negative variance from DfT income in Q3 2019

- **Baltic Sea** down DKK 25m mainly due to lower passenger result. Freight volumes up 7% adjusted for restructuring of Paldiski-Hanko

- **Channel** down DKK 98m entirely due to 58% drop in passenger revenue
- 1% freight volume increase, market share improved. Cost savings from fewer sailings and other efficiency measures

Total EBITDA* of DKK 735m vs DKK 1,092m in 2019



*Before special items

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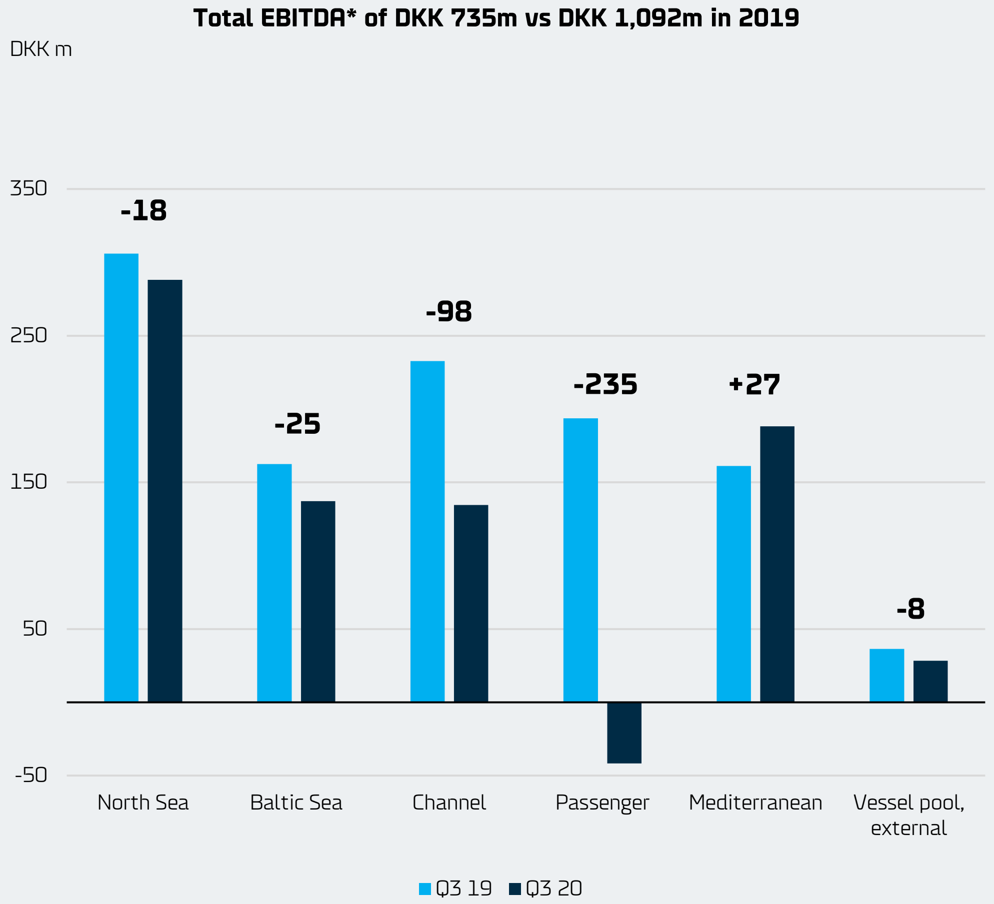
Ferry – Mediterranean volumes picking up

- **Passenger** down DKK 235m as revenue dropped DKK 411m equal to a 68% decrease. Volumes down 90% in September vs 2019 following tighter travel restrictions

- **Mediterranean** up DKK 27m, includes one-off income in 2019 and port volume commitment fee of DKK 20m
- Volume decrease of 4% offset by higher unit revenue. Volumes above 2019 towards end of Q3 and in October
- Some market share vs land regained in Q3



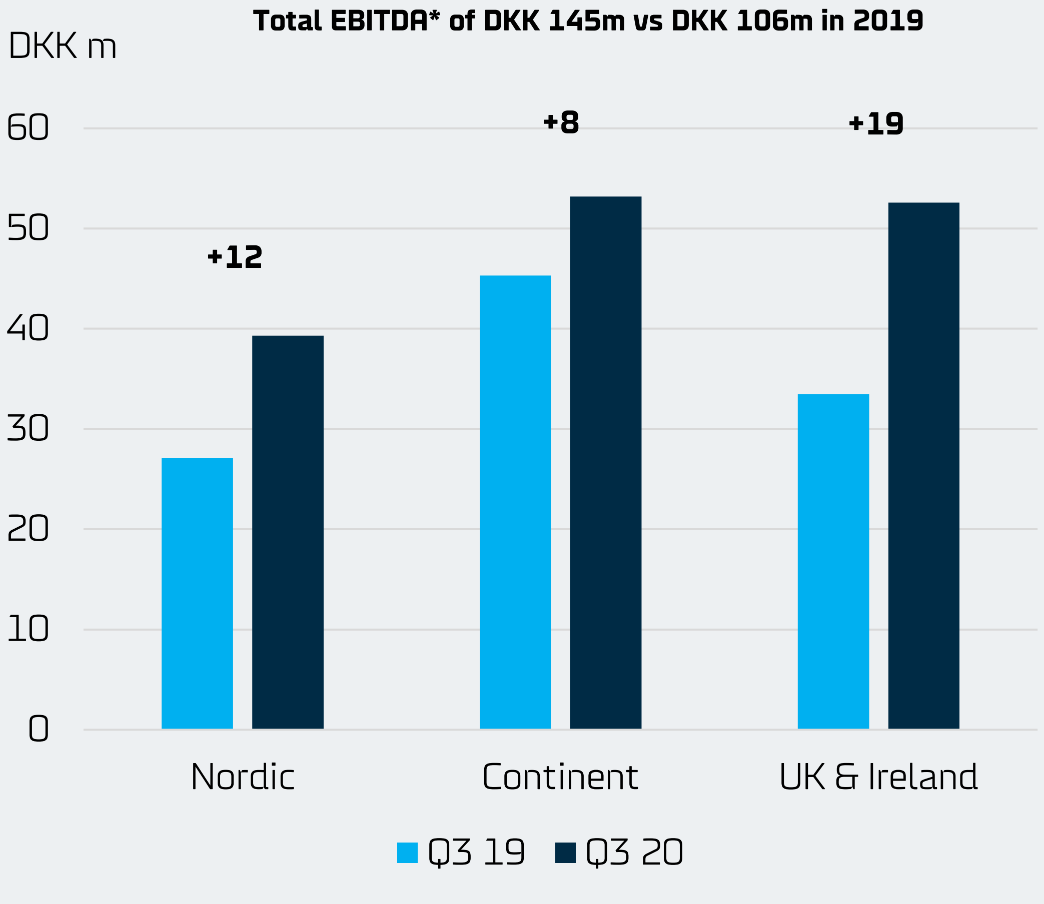
*Before special items

Logistics – strong quarter as tight cost control raised margins. Volumes just below 2019

- **Nordic** up DKK 12m as tight cost control of transport providers raised margins. Pick up in automotive after Q2 slowdown. Finnish acquisition in line with expectations

- **Continent** up DKK 8m as tight cost control of transport providers raised margins. Special Cargo improved operational efficiency. Dutch acquisition in line with expectations

- **UK & Ireland** up DKK 19m. High growth for Immingham/Belfast transport services. Most cold chain activities recovered and performed above 2019. Small UK acquisition above expectations



*Before special items

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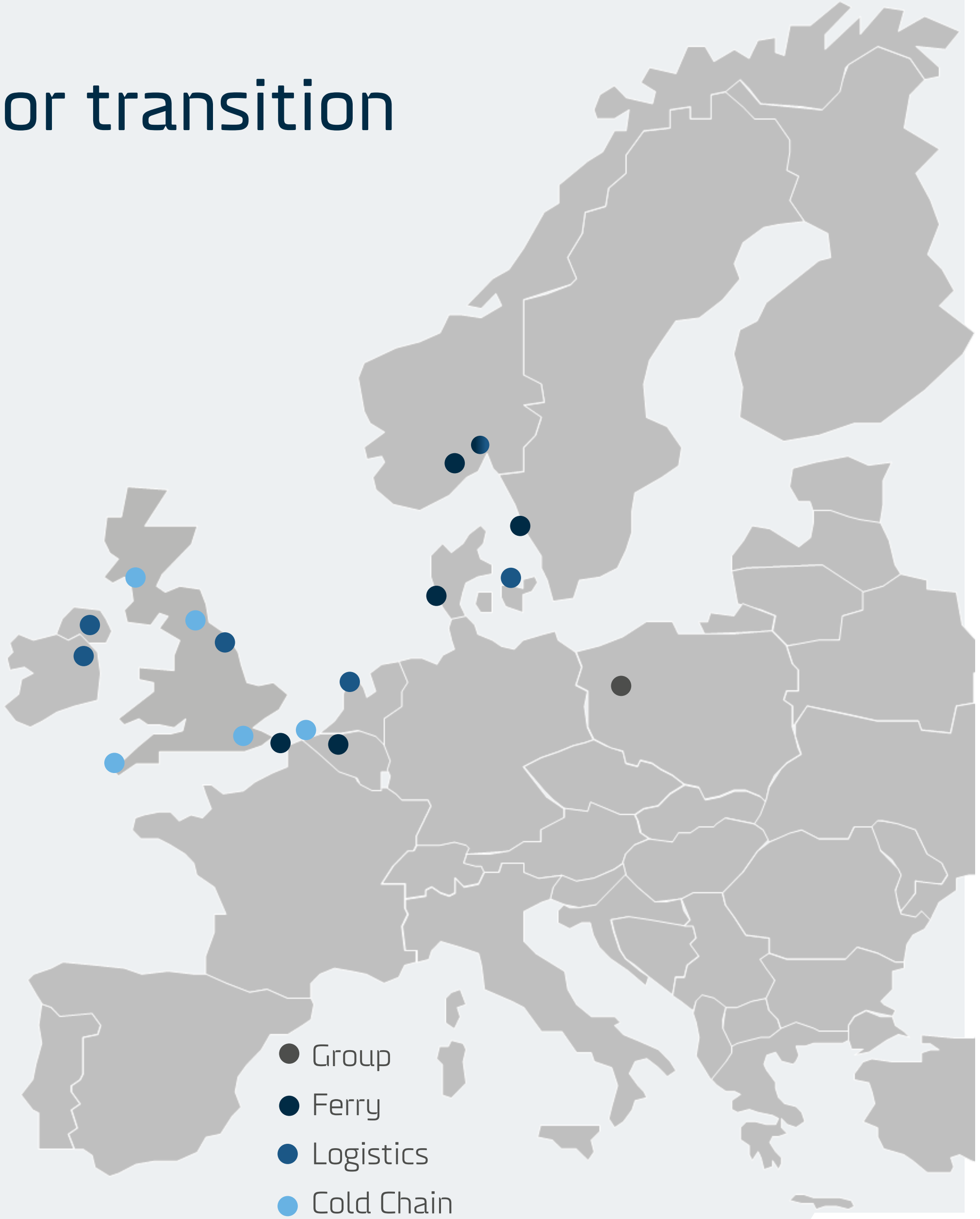
BREXIT & OUTLOOK

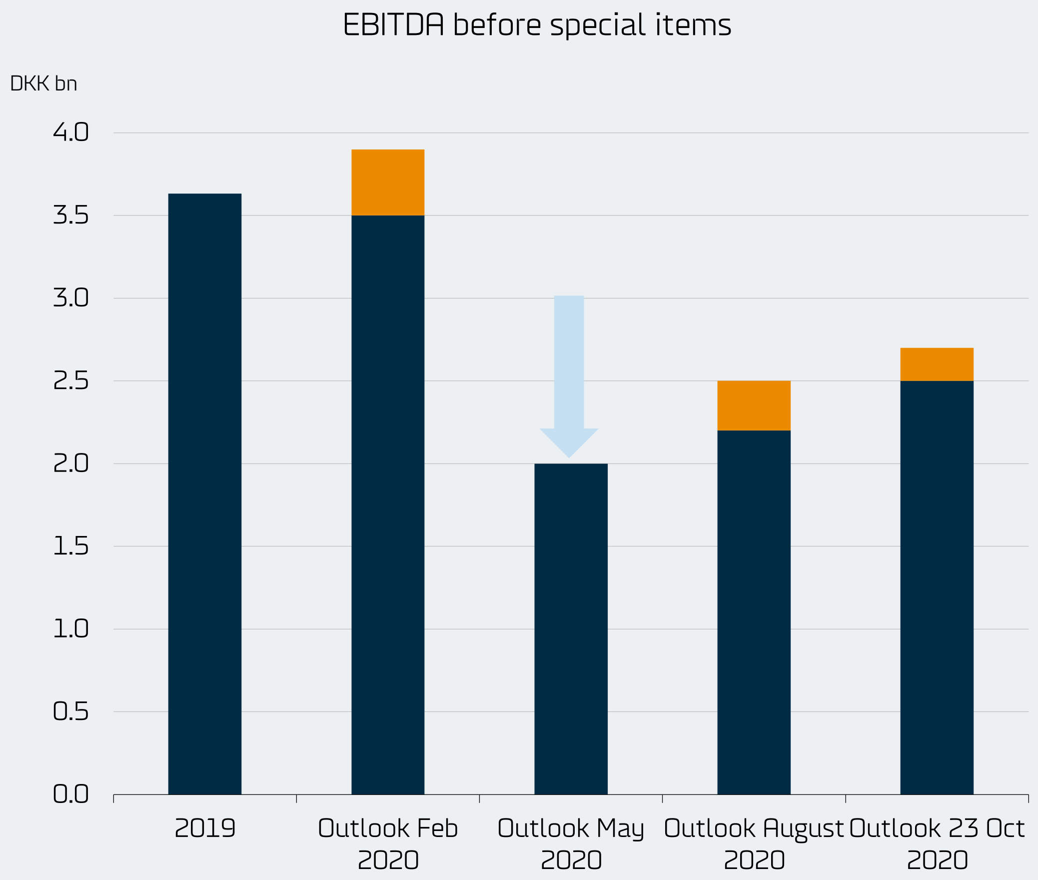
Brexit – organisation and systems in place for transition

- Full **customs clearance** offering to customers
- Customs **organisation** of more than 100 staff in place, including back office centre in Poland
- DFDS operating **systems** being integrated with government systems
- Requests for customs clearance services increasing; both **ferry and logistics** customers
- Planning of **duty-free** sales continuing
- Supporting DfT in flow of goods post January



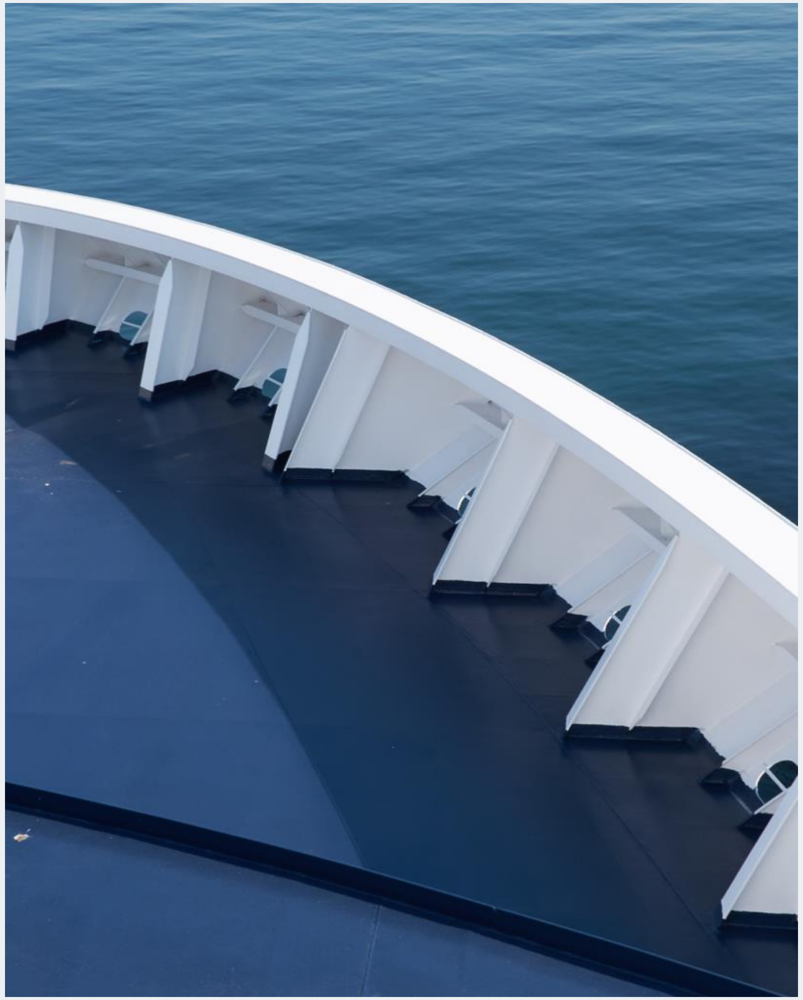
EBITDA outlook raised by higher freight volumes

- **EBITDA** outlook raised on **23 October** from DKK 2.2-2.5bn to DKK 2.5-2.7bn
- Full-year freight volumes now expected to decrease less than 5% vs 2019
- No futher downside risk on passenger
- **Uncertainty** remains very high:
  - Brexit transition
  - Covid-19 second wave consequences
- **Investment** outlook unchanged at DKK 1.6bn. Positive **free cash flow**



Strategic priorities ahead of 2021

- Manage **Brexit** transition as a business opportunity
- Drive **organic freight growth** with new commercially stronger business structure
- Increase **Mediterranean** ROIC
- Prepare **passenger** activities for a post Covid-19 travel market
- **Expand** freight offering to customers through acquisitions and partnerships



Q&A