ACQUISITIONS FUEL GROWTH

DFDS GROUP
Q2 2018

16 August 2018

DFDS

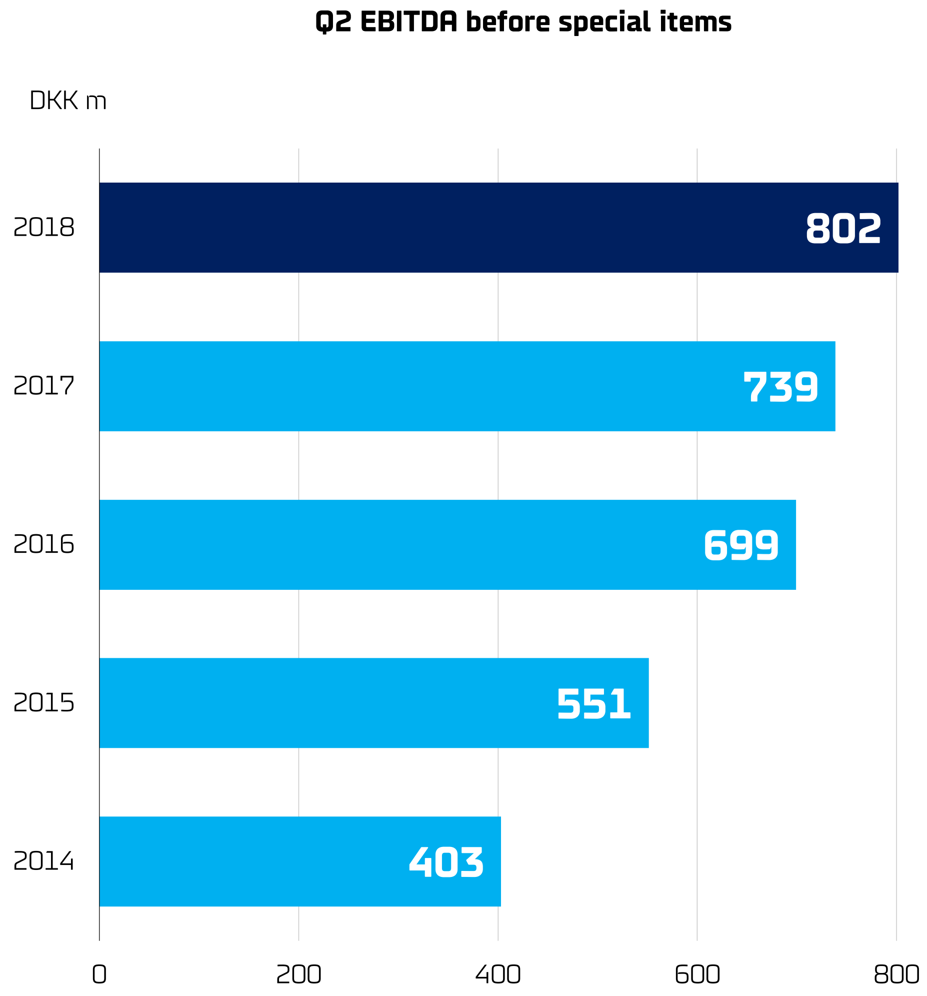
Contents

- Overview
- Q2 numbers
- Capital structure
- Outlook 2018
- Turkey
- Priorities

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.

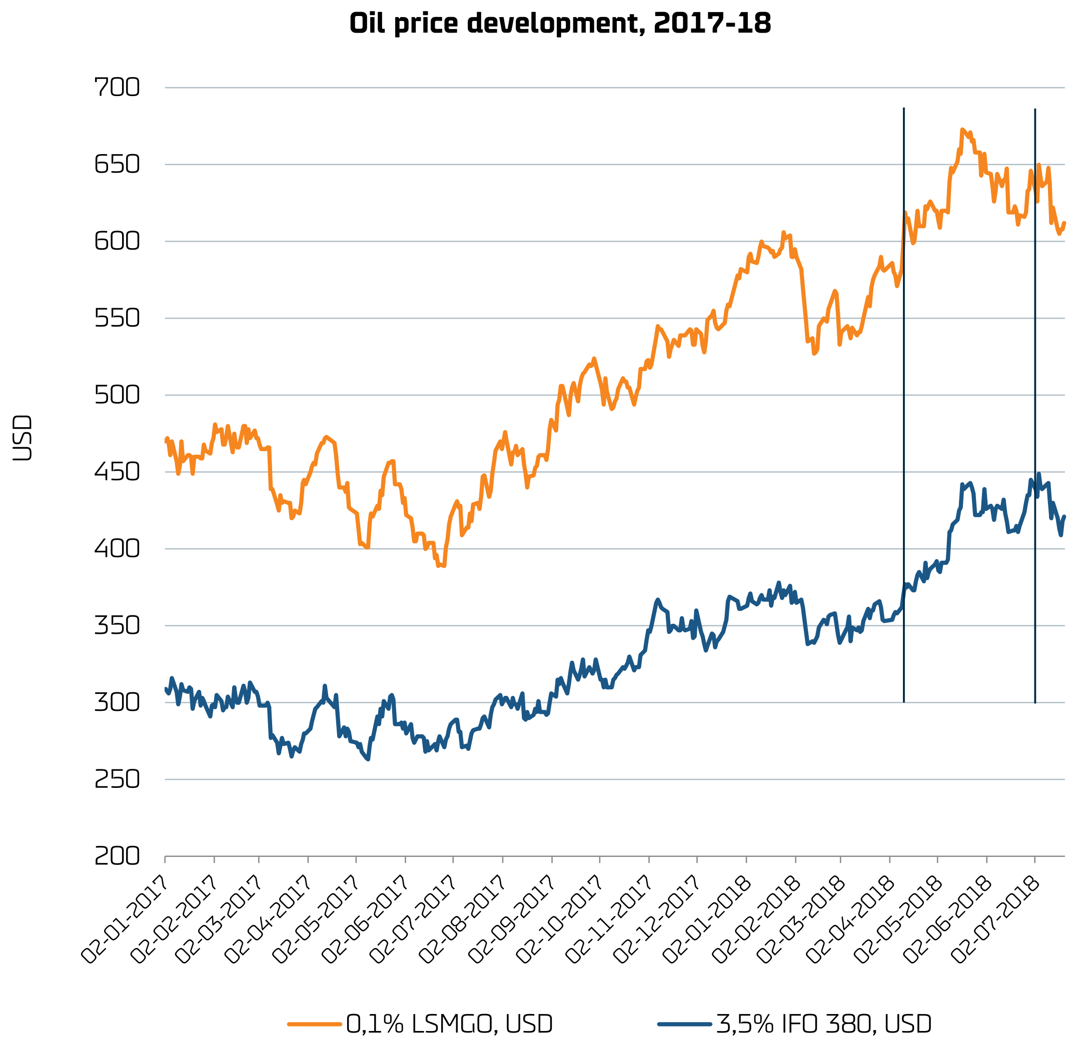
Acquistions fuel growth and earnings in Q2

- UNRR consolidated from 7 June with revenue of DKK 141m and EBITDA of DKK 50m
- **DFDS Group** revenue up 6% and EBITDA up 9% to DKK 802m
- **EBITDA outlook** for full-year 2018 unchanged at DKK 3.0-3.2bn
- **Financial leverage** increased following acquisition, NIBD/EBITDA at 2.4 on pro forma basis, reported 2.9



A bit more headwind than tailwind in Q2

- **Bunker price** up 47% in Q2 mitigated by 8% lower USD
- Lag of 1-2 months in recovery of bunker price increase impacted Q2 negatively, also in Logistics
- Total EBITDA impact of DKK -40m
- **SEK** down 6% y/y, main driver of DKK -8m currency EBITDA impact
- Some disruption of tourism/holiday patterns from **soccer** world cup
- European **economies continued to grow** despite some political turmoil



Q2 2018 numbers: Impact from UNRR acquisition

- **6% revenue growth** driven by UNRR and continued growth in freight volumes. Revenue up 4% on a like-for-like basis
- **EBITDA** up 9% to DKK 802m driven by UNRR and continued growth in Logistics
- **Depreciation** increase of DKK 35m mainly due to acquisitions and IT/digital
- **Special items** of DKK -63m include DKK -47m related to UNRR acquisition
- **Profit before special items and tax** was flat at DKK 494m
- **ROIC** before special items at 16.9% and 13.0% on a FY pro forma basis

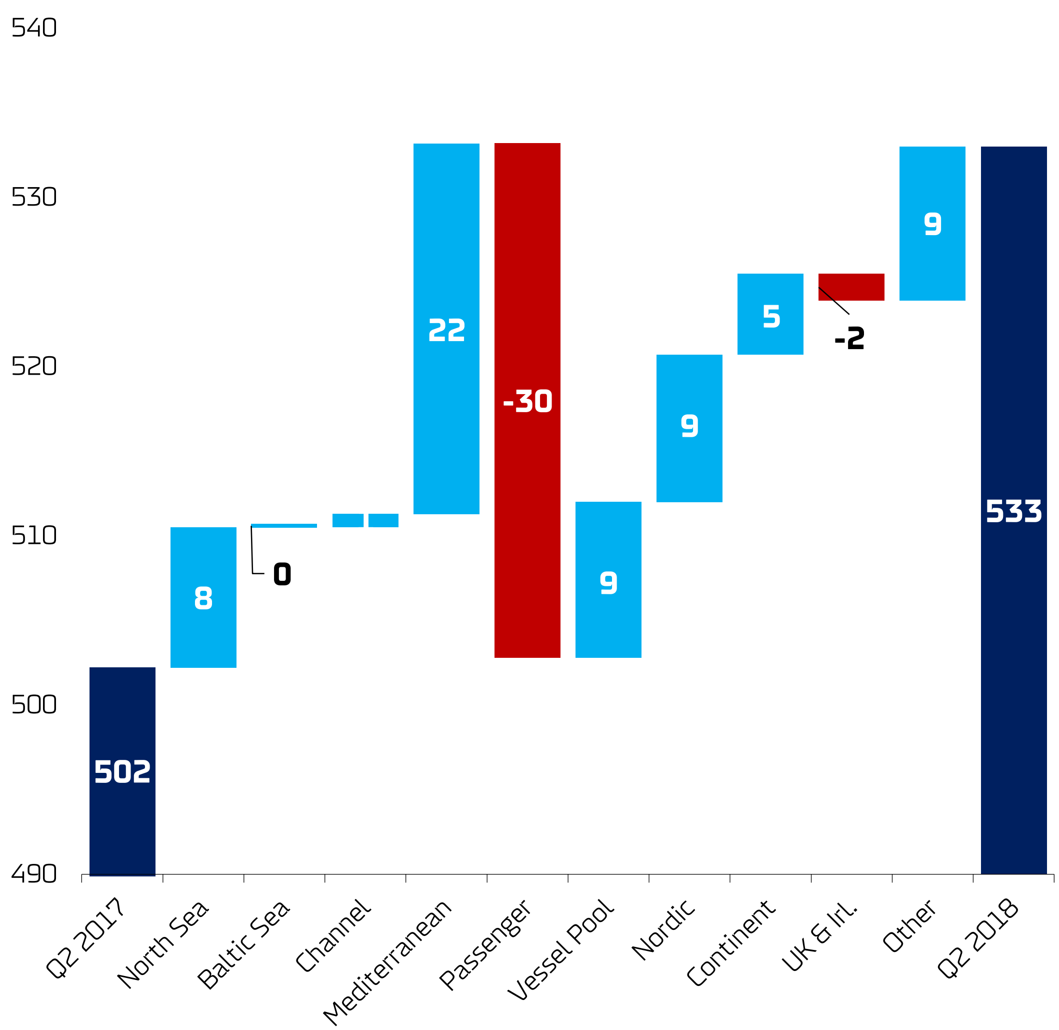
DKK m	Q2 18	Q2 17	Change vs LY	Change %
REVENUE	3,894	3,688	206	6%
EBITDA BEFORE SI	**802**	**739**	**63**	**9%**
margin, %	20.6	20.0	0.6	n.a.
P/L associates	1	0	1	n.a.
Gain/loss asset sales	3	1	2	n.a.
Depreciations	-272	-237	-35	-15%
EBIT BEFORE SI	**533**	**502**	**31**	**6%**
margin, %	13.7	13.6	0.1	n.a.
Special items	-63	3	-67	n.a.
EBIT	470	506	-36	-7%
Finance	-39	-7	-32	-439%
PBT BEFORE SI	**494**	**495**	**-1**	**0%**
PBT	**431**	**498**	**-67**	**-14%**
EMPLOYEES avg., no.	7,483	7,145	338	5%
INVESTED CAPITAL	16,327	9,177	7,150	78%
ROIC LTM ex. SI, %	**16.9**	**18.1**	**-1.2**	**n.a.**
NIBD	8,256	2,774	5,482	198%
NIBD/EBITDA, times	**2.9**	**1.0**	**1.9**	**n.a.**
SOLVENCY, %	37	49	-12	n.a.

SI: Special items. PBT: Profit before tax. NIBD: Net interest-bearing debt.

Mediterranean and Passenger key Q2 EBIT drivers

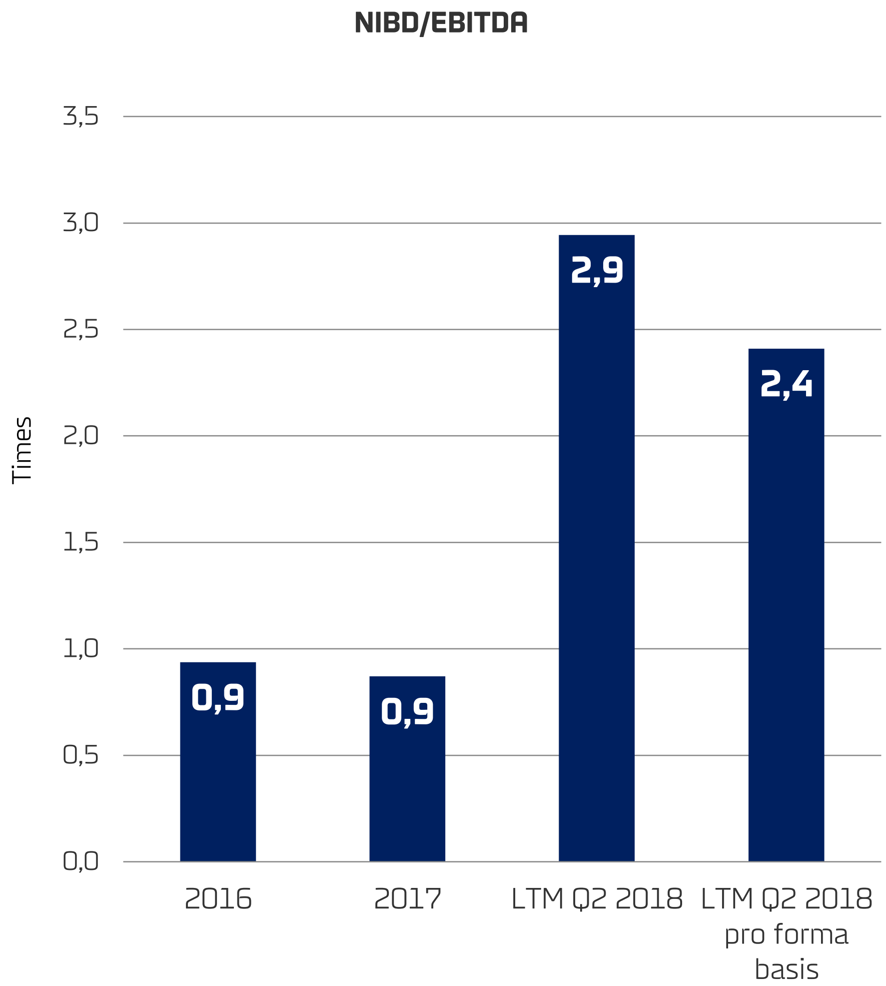
- **North Sea +8m**: Continued volume growth, offset from lag in bunker cost recovery
- **Channel +1m**: Positive route contribution offset by extra ferry maintenance costs and lag in bunker cost recovery
- **Mediterranean +22m**: Addition of UNRR
- **Passenger -30m**: Cost increases in bunker and ferry maintenance, adverse impact from change in overseas booking agent behavior and some weakness in Norwegian sales
- **Nordic +9m**: Continued good result from contract logistics activities, offset from lag in recovery of higher haulage costs
- **Continent +5m**: Continued good trading, offset from lag in recovery of higher haulage costs. Addition of Special Cargo

Q2 2018 DFDS Group EBIT development vs LY



Capital structure in line with target leverage

- **NIBD/EBITDA** at 2.9 end of Q2 and 2.4 on pro forma basis
- Share issue with proceeds of DKK 1.0bn completed in June 2018
- Interest-bearing debt increased to DKK 9.5bn
- Board will in **February 2019** review capital structure and distribution



DFDS

EBITDA outlook 2018 unchanged at DKK 3.0-3.2bn

- **European real GDP** growth above 2% expected in 2018
- Some slowdown in **UK market** but demand for ferry and logistics services is robust
- Development of **digital and IT** capabilities progressing as planned
- **Investments** forecast at DKK 5.0bn down DKK 200m from previously as U.N. Ro-Ro's equity value was lower than expected
- Outlook is associated with a **higher level of uncertainty than usual** due to the recent sharp depreciation of TRY

OUTLOOK 2018

- Revenue growth of around 10%
- EBITDA range of DKK 3,000-3,200m
  - Shipping Division: DKK 2,825-2,975m
  - Logistics Division: DKK 275-325m
  - Non-allocated items: DKK -100m
- Investments of DKK 5.0bn

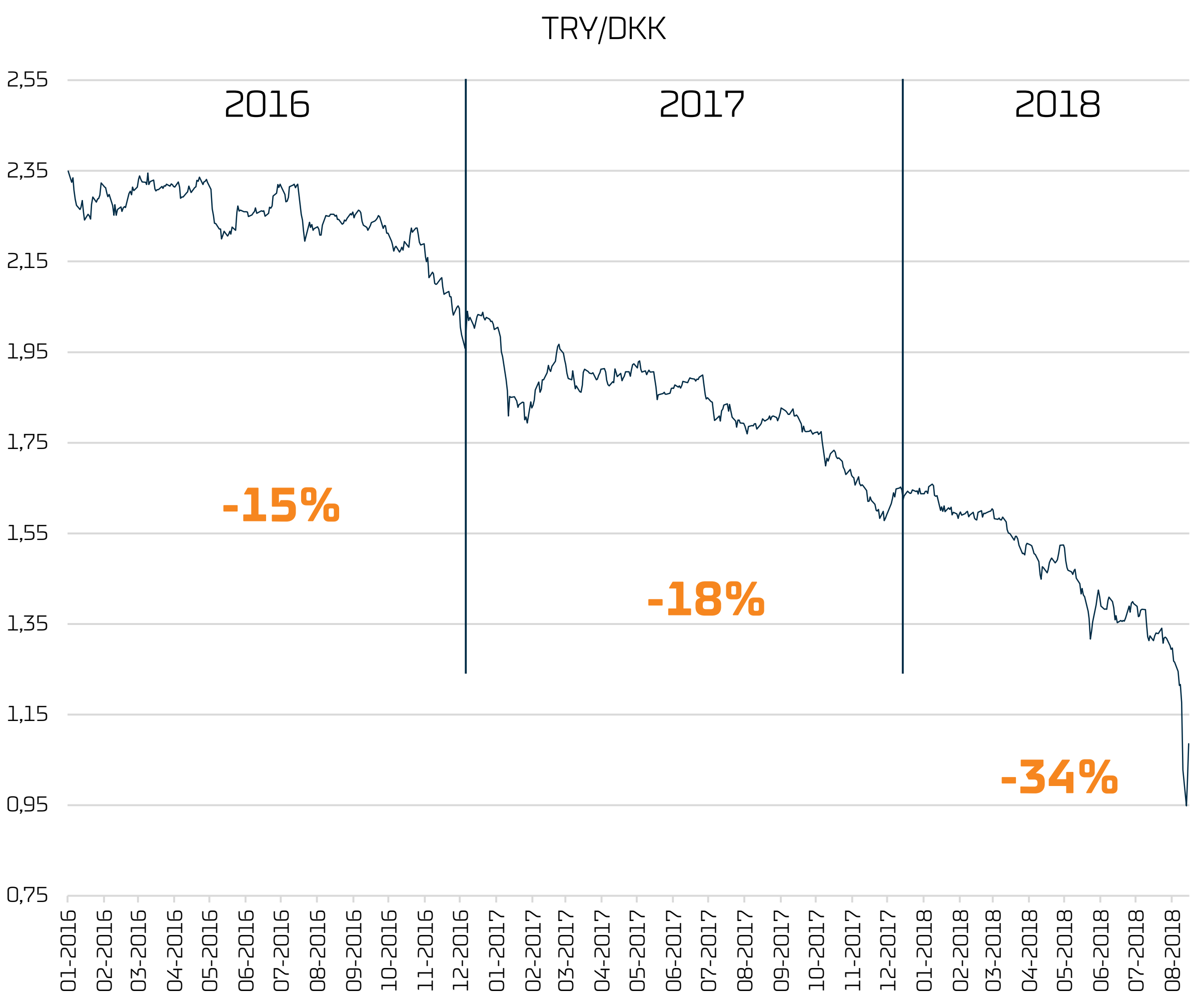
DFDS

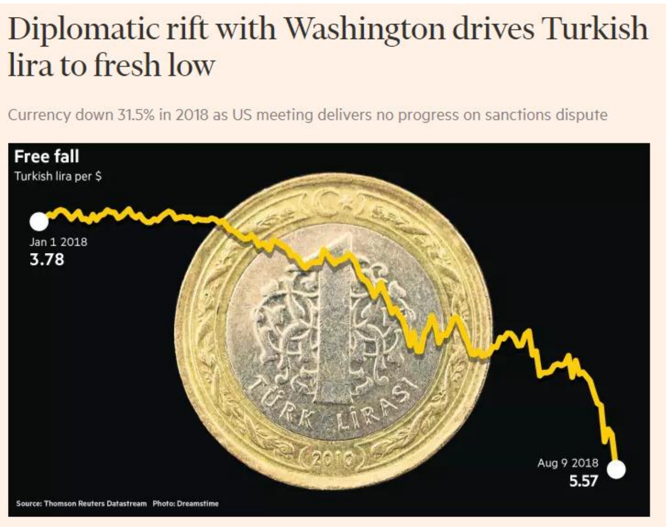
Turkey - inflation and exchange rate development of TRY

- 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



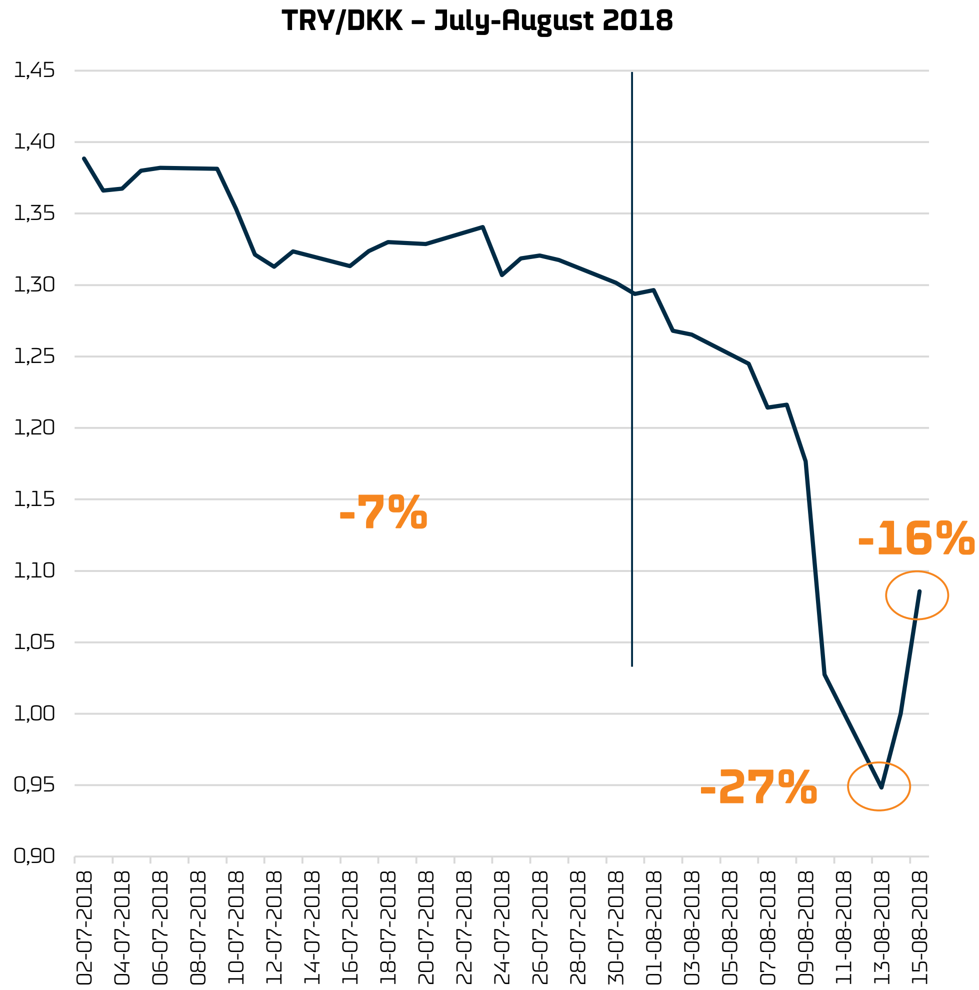

Diplomatic rift with Washington drives Turkish lira to fresh low

Currency down 31.5% in 2018 as US meeting delivers no progress on sanctions dispute

DFDS

Turkey – impact of TRY depreciation on finance items

- Financial performance impacted by 'one-off' currency loss on debtors recorded in Finance items
- 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 81m incurred until 15 Aug:
    - June: DKK 6m
    - July: DKK 27m
    - August, 1-15: DKK 48m



Turkey – impact of TRY depreciation on trading

- Export volumes increased 17% Jan-Jun 2018 while import volumes were up 3%
- Europe-Turkey trading has historically been balanced – current divergence in growth rates is starting to create imbalances
- Currency depreciation is impacting import volumes – once TRY is stabilised imports are expected to resume but likely at a lower level
- Export volume growth expected to mitigate impact from imbalance/reduced import volumes
- Also mitigation from significant import of semi-manufactured goods used for manufacturing of finished goods in Turkey and then re-exported
- With the current visibility, we maintain our EBITDA outlook based on the 'early' consolidation of UNRR as of 7 June

Priorities 2018

- Integration of **U.N. Ro-Ro**
- Realise our next steps in **digital strategy**
- **Customer** satisfaction – grow the topline
- Continue push for **efficiency** improvements
- Improve performance of **Passenger** business unit
- Preparing for deployment beginning 2019 of two freight **new buildings** (ro-ro)
- Pursue value-creating **M&A**

Q&A


U.N. RO-RO
UN AKDENIZ
İSTANBUL
ULUSOY LOGISTICS
www.ekol.com
babacan
Sultantur
TURKISH CARGO
SAMSKIP
VERGREE
ECS
TETNAK
GOKBORA
ICL
PERCAM
EMIROĞLU
DFDS