

Solid growth in demand

Q3 2021 investor call



17 November 2021





Content

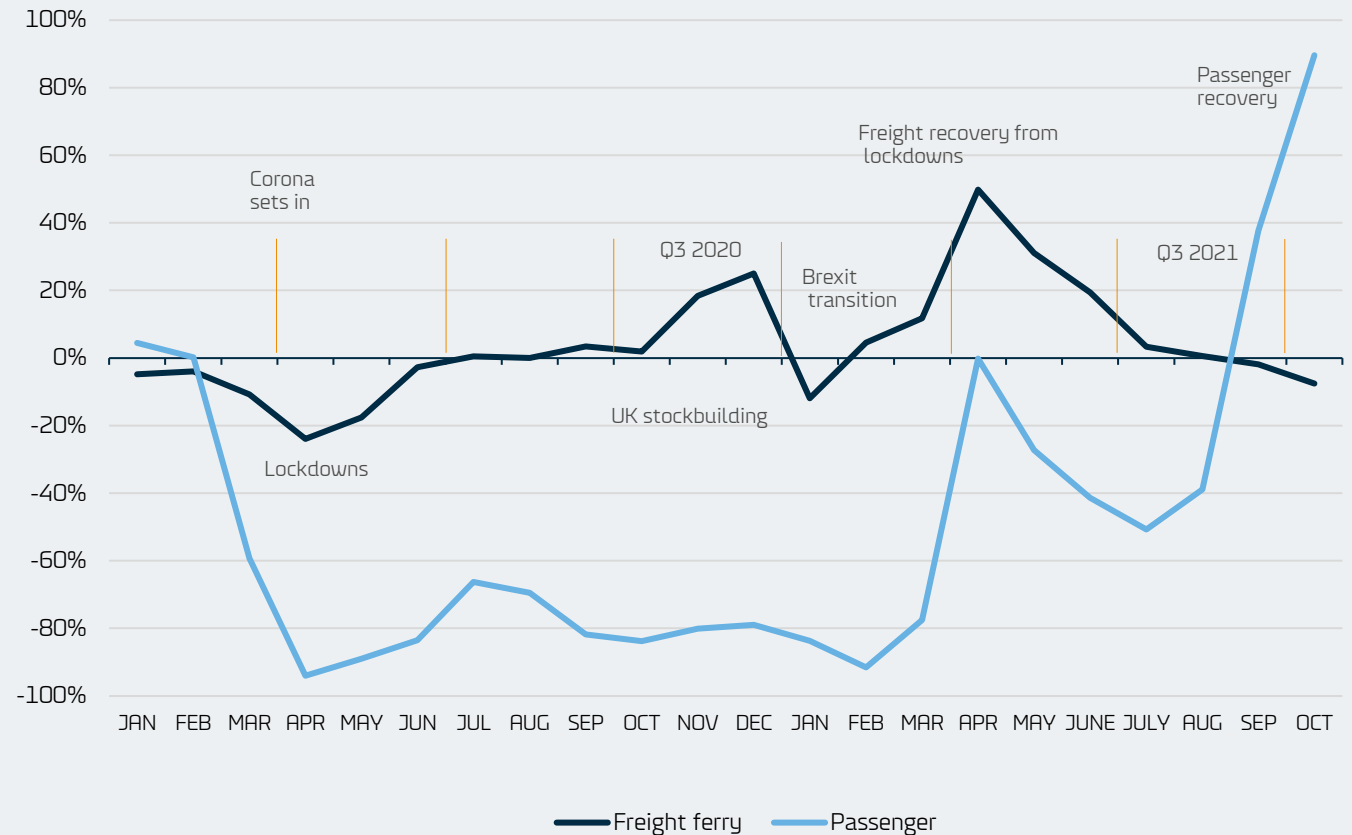
- Q3 overview
- Q3 numbers
- ESG
- 2021 outlook & priorities

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.

Q3: High freight demand offset by supply chain bottleneck costs

- **Freight earnings** continued above 2020
- **Mediterranean** growth driven by Turkish exports
- **UK trade volumes slowed** by supply chain bottlenecks
- **Logistics** margins lowered by extra costs from supply chain bottlenecks
- **Slow passenger** recovery but volumes picked up towards end of Q3

Ferry volumes, y/y-change - 2020-21



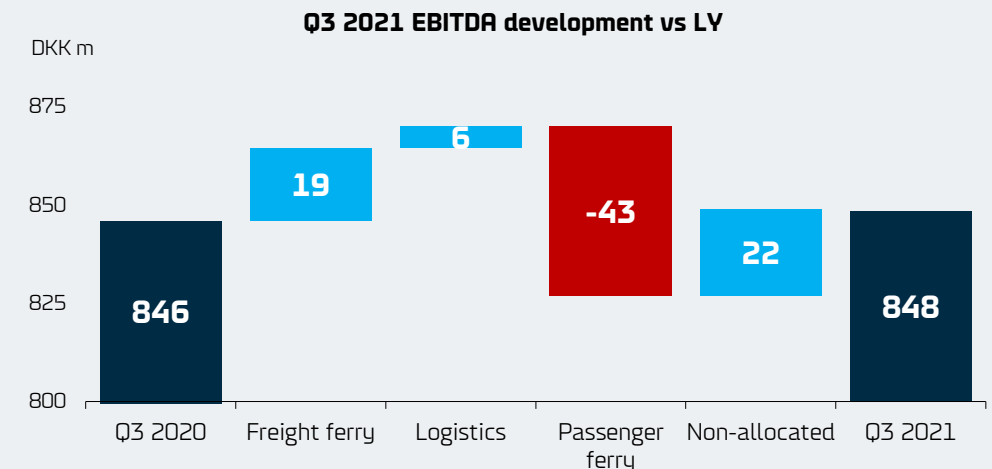
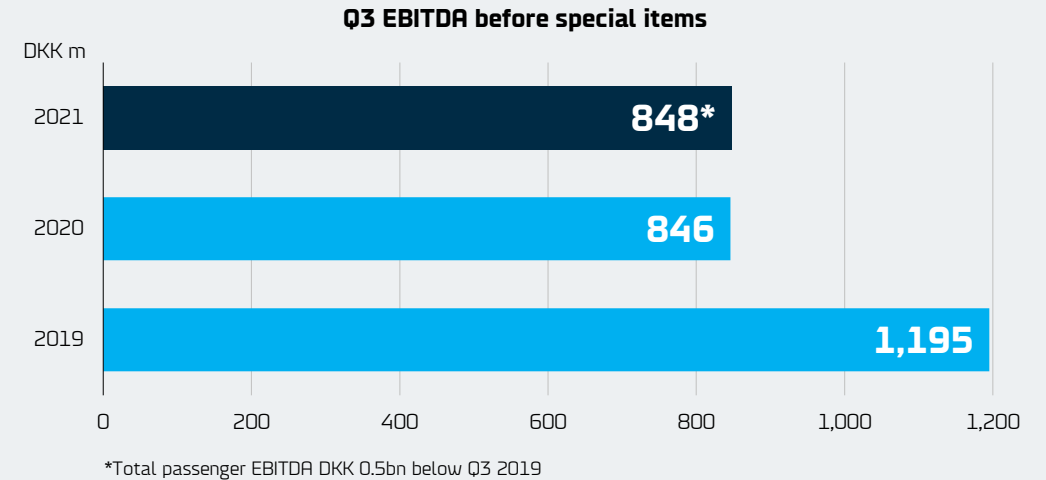
Strategic events update

- **HSF** Logistics Group consolidated from 14 September
- Acquisition of **ICT** Logistics
- Acquisition of small Swedish **haulier**
- New **logistics centres** opening in 2022-23, in addition to Borås
- New **Channel ferry** deployed



Q3 EBITDA: Freight held firm despite supply chain bottlenecks

- **DFDS Group** revenue up 22% while EBITDA was on level with 2020
- **Ferry freight** EBITDA up 3% as growth in Mediterranean offset UK trade slowdown and higher ferry operating costs
- **Passenger** EBITDA down DKK 43m to DKK 53m due to bunker cost increase and UK/Norwegian travel restrictions
- **Logistics** EBITDA up 4% as robust contract logistics and HSF offset lower forwarding margins
- **Non-allocated costs** reduced DKK 22m



Q3 2021 income statement

- **Revenue** up 22% driven by organic freight growth, including price increases to cover extra costs, plus new routes, bunker surcharges and HSF
- **Depreciation** up DKK 57m mainly due to addition of chartered ferries for new routes – Ireland/UK-France, Turkey-Spain
- **Finance** cost up 9% following additional chartered ferries with IFRS 16 interest
- **Tax** cost up due to increased income for non-ferry activities
- **Special items** of DKK 28m, mainly gain on sale of Logistics' office building in Ghent

DFDS Group P/L DKK m	Q3 20	Q3 21	Δ	Δ
Revenue	3,598	4,406	808	22%
EBITDA*	846	848	3	0%
<i>Margin</i>	<i>23.5%</i>	<i>19.3%</i>	<i>-4.3%</i>	
<i>Ferry Division</i>	<i>730</i>	<i>706</i>	<i>-24</i>	<i>-3%</i>
<i>Logistics Division</i>	<i>150</i>	<i>155</i>	<i>6</i>	<i>4%</i>
<i>Non-allocated</i>	<i>-34</i>	<i>-12</i>	<i>22</i>	<i>n.a.</i>
P/L associates	-2	-3	-1	n.a.
Gain/loss on assets	1	1	0	10%
Depreciation	-458	-514	-57	12%
EBIT*	388	332	-55	-14%
<i>Margin</i>	<i>10.8%</i>	<i>7.5%</i>	<i>2.9%</i>	
Finance	-64	-69	-6	9%
Profit before tax*	324	263	-61	-19%
Tax	-18	-49	-31	177%
Profit after tax*	306	214	-92	-30%
Special items	-62	28	90	n.a.

*Before special items

Q3 capital overview – strong operational cash flow

- **Tangible assets** increased DKK 3.7bn due to HSF consolidation
- **Operating cash flow** up 23% to DKK 1.1bn as working capital decreased DKK 314m
- **NIBD** of DKK 12.2bn up 4% from end Q3 2020 reflecting first payment for HSF
- NIBD/EBITDA-ratio at 3.3* down from 4.2 at year-end and 4.3 end Q3 2020
- **ROIC (LTM)** increased to 5.2% from 3.5% at year-end and 3.5% for Q3 2020

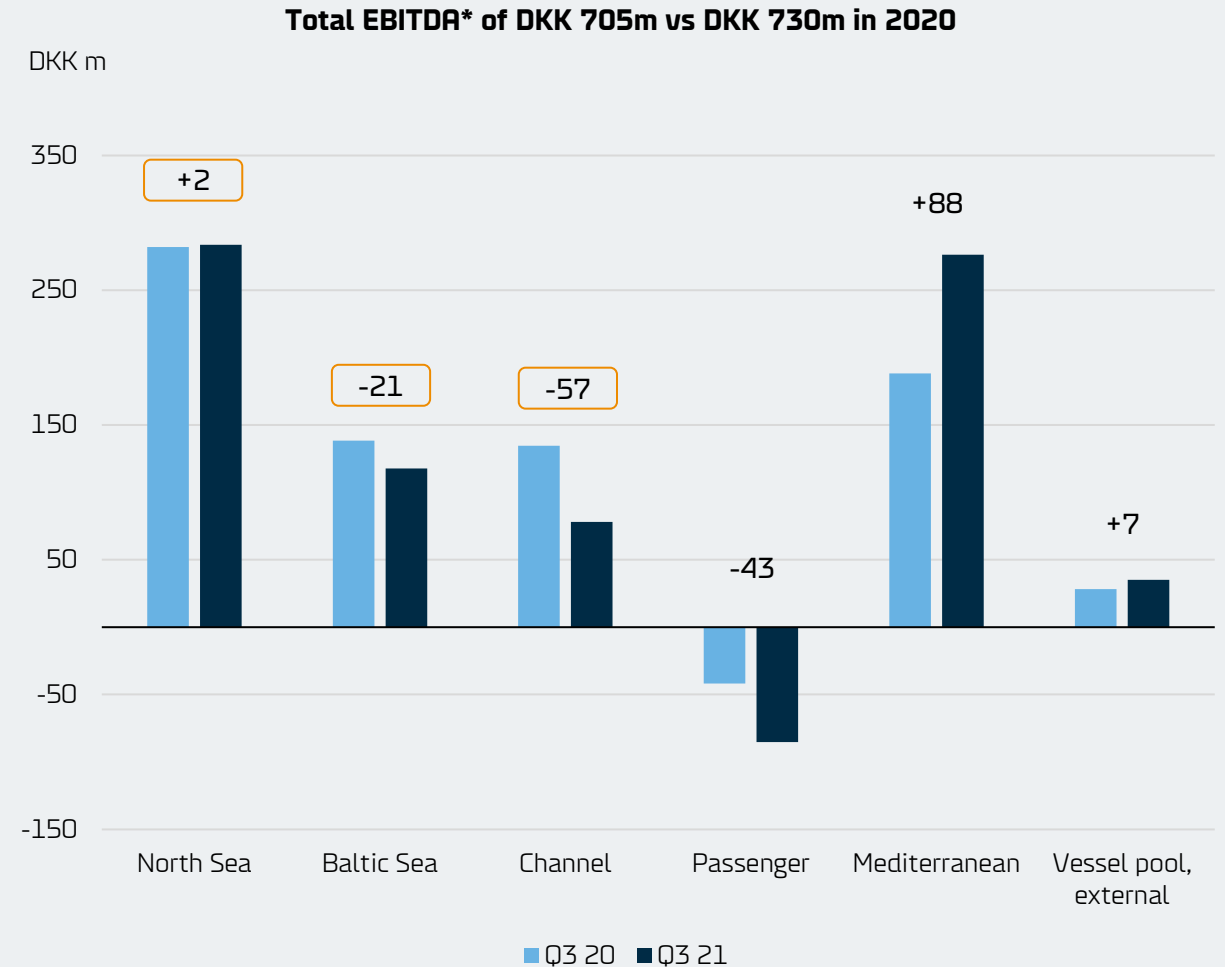
DKK m	Q3 20	Q3 21	Δ	Δ
Non-current intangible asset:	4,909	6,129	1,220	25%
Non-current tangible assets	17,137	18,484	1,347	8%
Total assets	26,707	30,405	3,697	14%
Working capital	172	-157	-329	-192%
Cash flow				
Operating cash flow	932	1,147	215	23%
Investments, assets	-456	-143	313	-69%
Investments, acquisitions	0	-962	-962	n.a.
Adjusted free cash flow	313	-192	-505	-161%
Key figures				
Average no. of employees**	8,283	8,296	13	0%
ROIC before special items	3.5%	5.2%	1.7%	n.a.
Invested capital, end	22,412	23,795	1,383	6%
NIBD	11,736	12,226	490	4%
NIBD/EBITDA, times	4.3	3.3	-1.0	n.a.
Equity ratio	39.4%	36.9%	-2.5%	n.a.

*Including HSF pro forma EBITDA for LTM

**Excluding HSF employees

Ferry Division – extra costs in North Sea and Baltic Sea

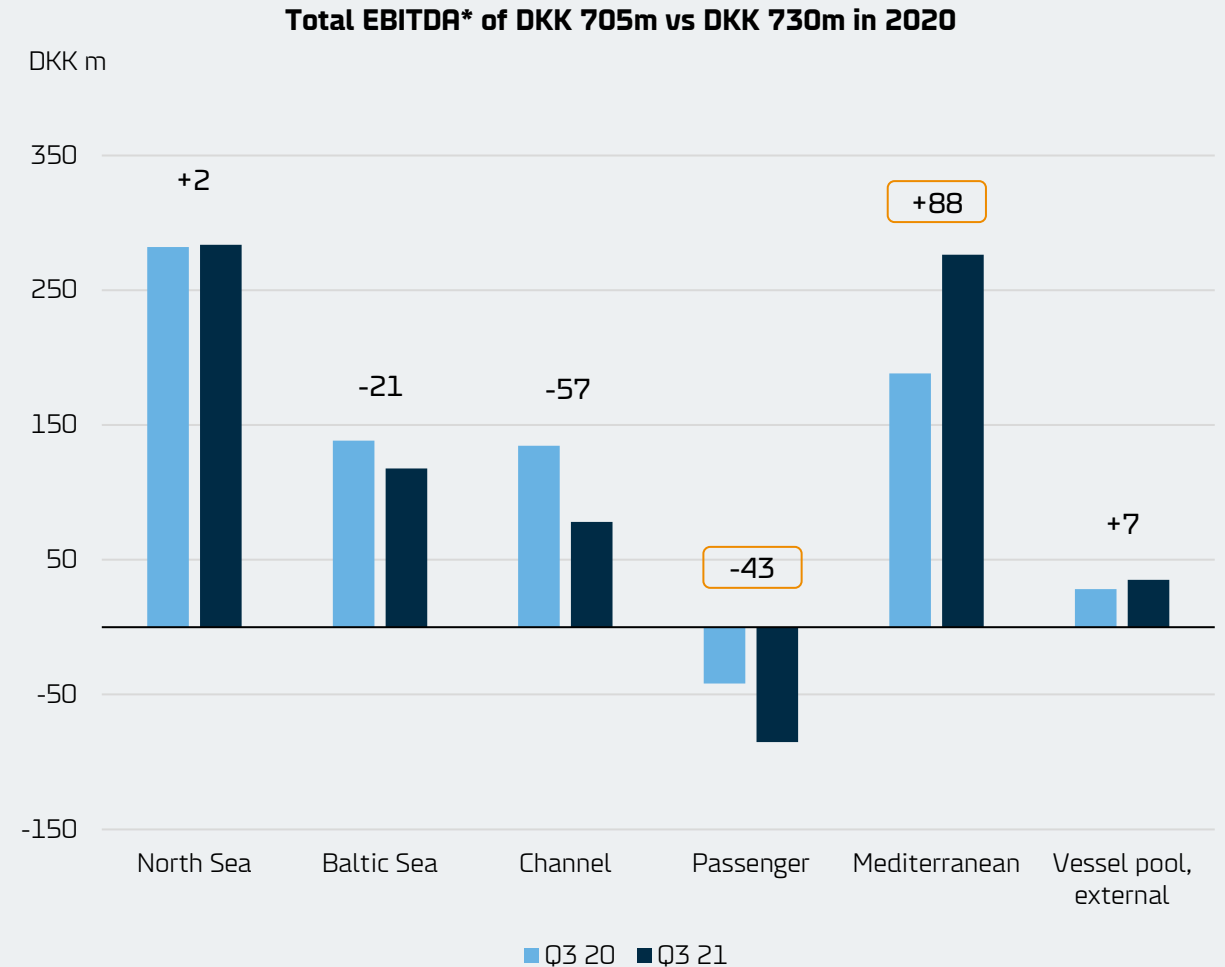
- **North Sea** on level
- Solid revenue growth offset by extra costs driven by supply chain bottlenecks
- More capacity deployed
- **Baltic Sea** down DKK 21m
- Solid revenue growth likewise offset by extra costs
- Capacity expanded on most routes and several ferries deployed for shorter periods
- **Channel** down DKK 57m
- 9% lower freight volumes and 45% fewer passenger on Dover routes
- Costs increased by normalisation of sailing schedule frequency



*Before special items

Ferry Division – continued strong growth in Mediterranean

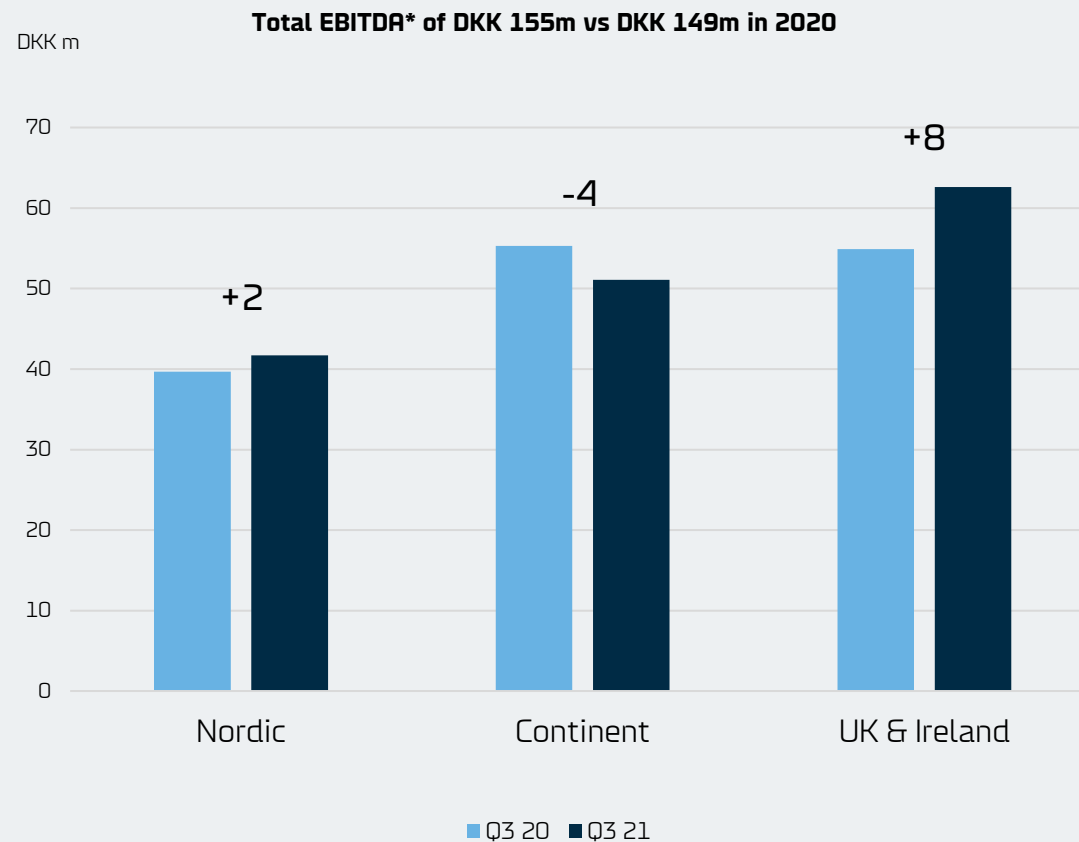
- **Passenger** down DKK 43m
- Sailing schedules normalised while anticipated pick-up in passenger volumes over high season did not materialise
- Organisation ramped up for higher passenger volumes in Q4 2021
- **Mediterranean** up DKK 88m
- 12% higher volumes, adjusted
- Stable operating cost levels
- Improved results for port terminal and rail activities



*Before special items

Logistics – contract logistics robust, forwarding traffics disrupted

- **Nordic** up DKK 2m
- Contract logistics improved results
- HSF consolidated
- Lower results for forwarding traffics, particularly UK, as supply chain bottlenecks lowered margins
- **Continent** down DKK 4m
- UK forwarding traffic margins lowered by supply chain bottlenecks
- Automotive production stops caused imbalances
- HSF consolidated
- **UK & Ireland** up DKK 8m
- Most cold chain activities maintained high level of activity
- Growth in customs clearance services



ESG actions and plans

- **100 electric trucks** ordered in October 2021
- Ambition to **de-carbonise truck fleet** with both electric and sustainable fuel models
- Analysis of **retrofitting and newbuilding options** for 2025 green freight ferry ongoing
- Total workforce **female gender ratio** increased to 25% in Q3 2021 vs 23% for full-year 2020



Shore power facility in Copenhagen inaugurated in October 2021

2021 OUTLOOK & PRIORITIES

EBITDA outlook range narrowed to DKK 3.3-3.5bn

- **Freight** momentum mixed – headwind from supply chain bottlenecks, mainly impacting Logistics and UK flows
- Mediterranean growth expected to continue
- HSF on track
- **Passenger** pickup ongoing, rise in Corona could be a risk
- Passenger earnings still expected to be on level with 2020
- **Investments** reduced DKK 300m to DKK 3.2bn

DKK m	New outlook 2021	Previous outlook 2021	2020
Revenue growth	23-25%	20-25%	13,971
EBITDA before special items	3,300-3,500	3,200-3,600	2,732
Per division:			
Ferry Division	2,775-2,925	2,650-2,950	2,332
Logistics Division	575-625	600-700	445
Non-allocated items	-50	-50	-45
EBIT before special items	1,300-1,500	1,200-1,600	858
Investments	-3,200	-3,500	-1,618

Our current priorities

- Integrate **HSF Logistics Group** successfully
- Manage **supply chain cost pressure** and prepare for **EU Mobility** package
- Pursue **post-Brexit** opportunities and prepare for final implementations
- Drive **organic growth**
- Prepare for return of **passengers**



Q&A

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