

# FERRY SHIPPING AND LOGISTICS

DFDS Group Overview

April 2017

# Disclaimer

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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.

# Content overview

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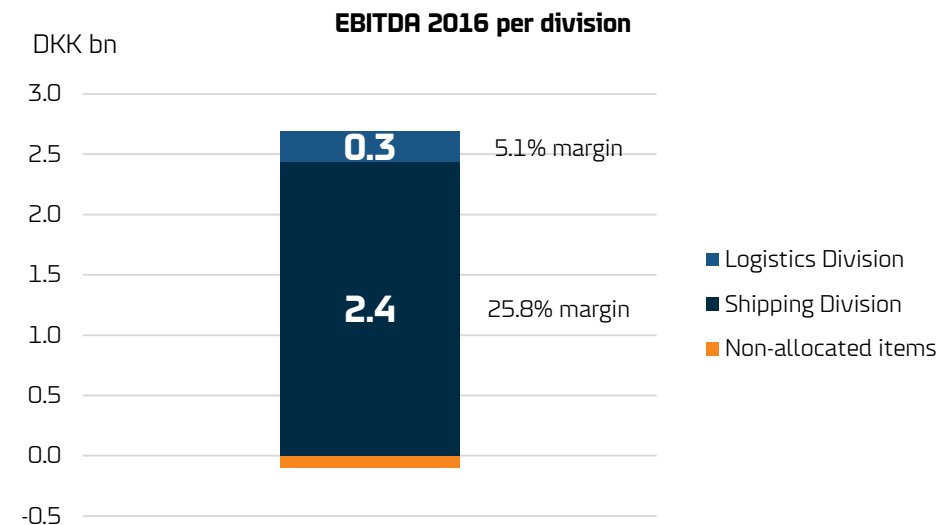
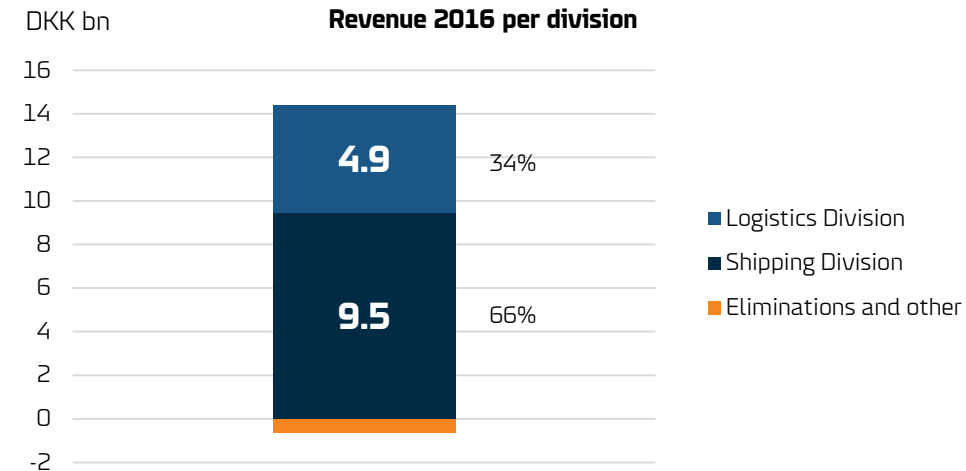
# WHAT WE DO

# DFDS structure, ownership and earnings split

## DFDS Group

People & Ships	Finance
<b>Shipping Division</b> <ul style="list-style-type: none"> <li>Ferry services for freight and passengers</li> <li>Port terminals</li> </ul>	<b>Logistics Division</b> <ul style="list-style-type: none"> <li>Door-door transport solutions</li> <li>Contract logistics</li> </ul>

<b>DFDS facts</b> <ul style="list-style-type: none"> <li>Founded in 1866</li> <li>Activities in 20 European countries</li> <li>7,000 employees</li> </ul>	<b>Shareholder structure</b> <ul style="list-style-type: none"> <li>Lauritzen Foundation: 41%</li> <li>DFDS: 7%</li> <li>Free float: 52%</li> <li>Listed: Nasdaq Copenhagen</li> <li>Foreign ownership share: ~30%</li> <li>Average daily trading 2016: DKK 26m [EUR 3.5m]</li> </ul>
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# Freight, logistics and passengers – focus northern Europe

## Key services

### Freight routes

- Trailers, unaccompanied & accompanied
- Industry solutions
- Port terminals

### Logistics solutions

- Door-door full & part loads
- Contract logistics

### Passenger routes

- Overnight
- Day
- Transport/holiday
- Cruise ferry

## Freight

## Share of Group revenue



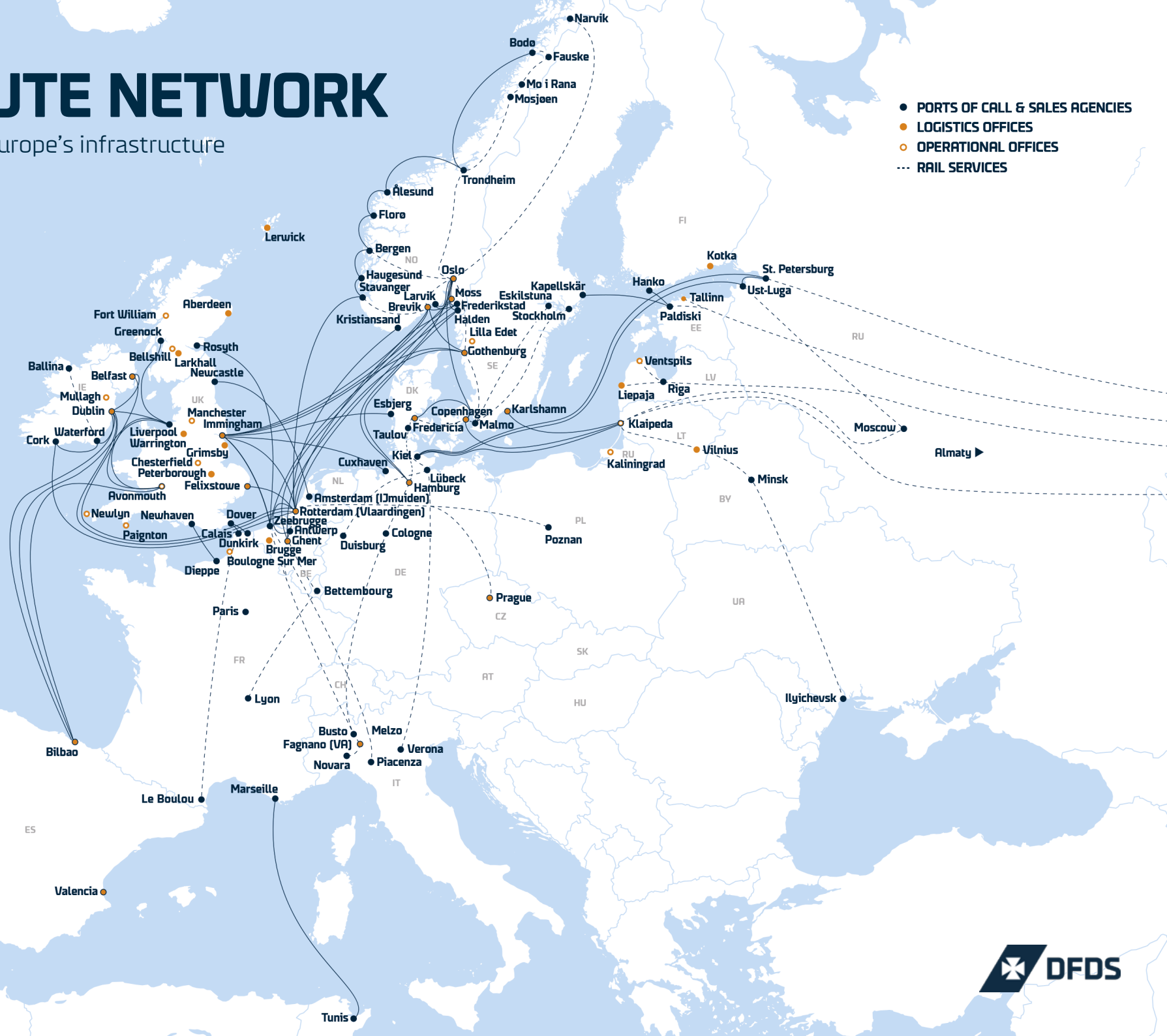
80% freight

20% pax

# DFDS ROUTE NETWORK

- an integrated part of Europe's infrastructure

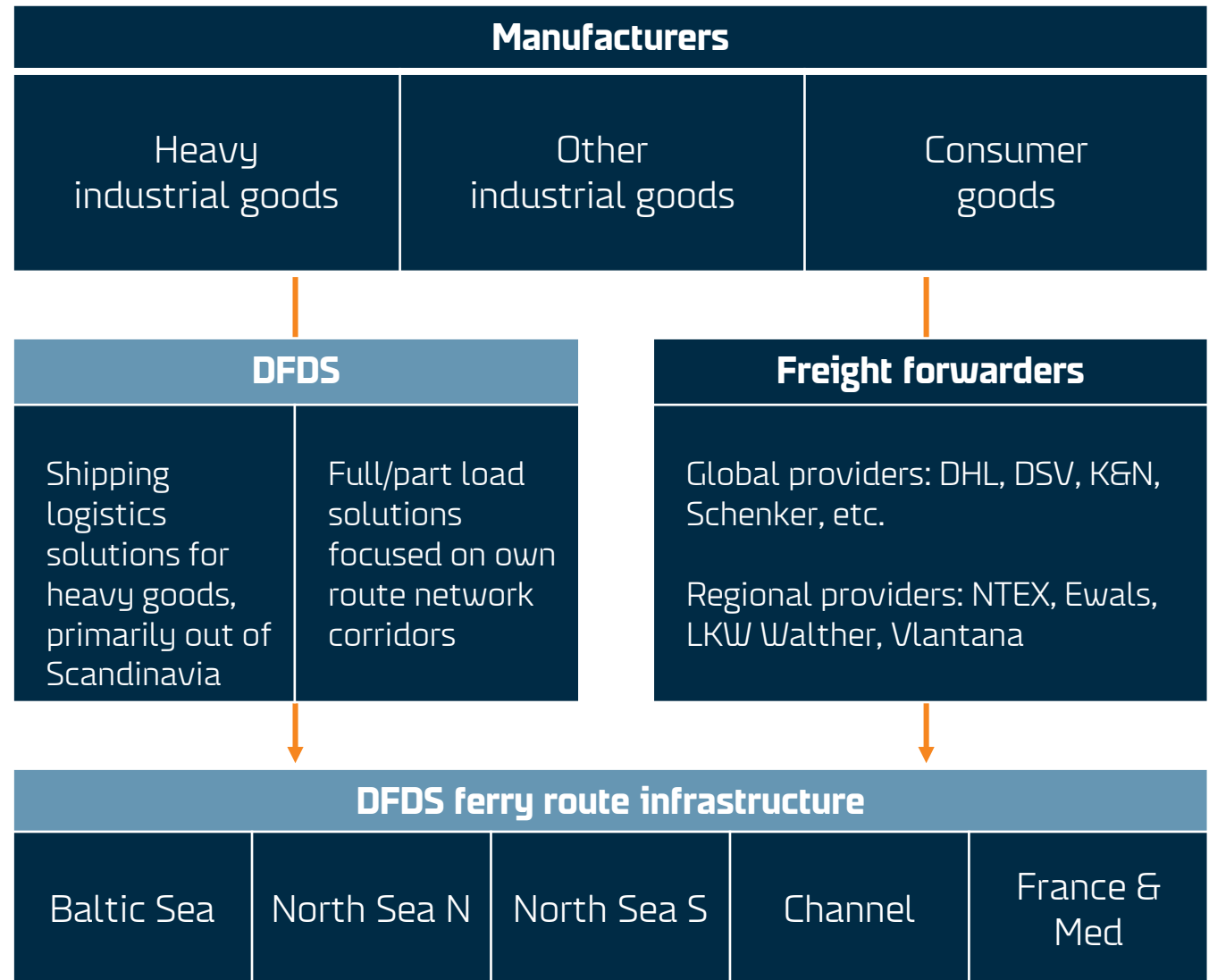
- PORTS OF CALL & SALES AGENCIES
- LOGISTICS OFFICES
- OPERATIONAL OFFICES
- RAIL SERVICES



**IT'S ALL  
ABOUT THE  
ROUTE**

# 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



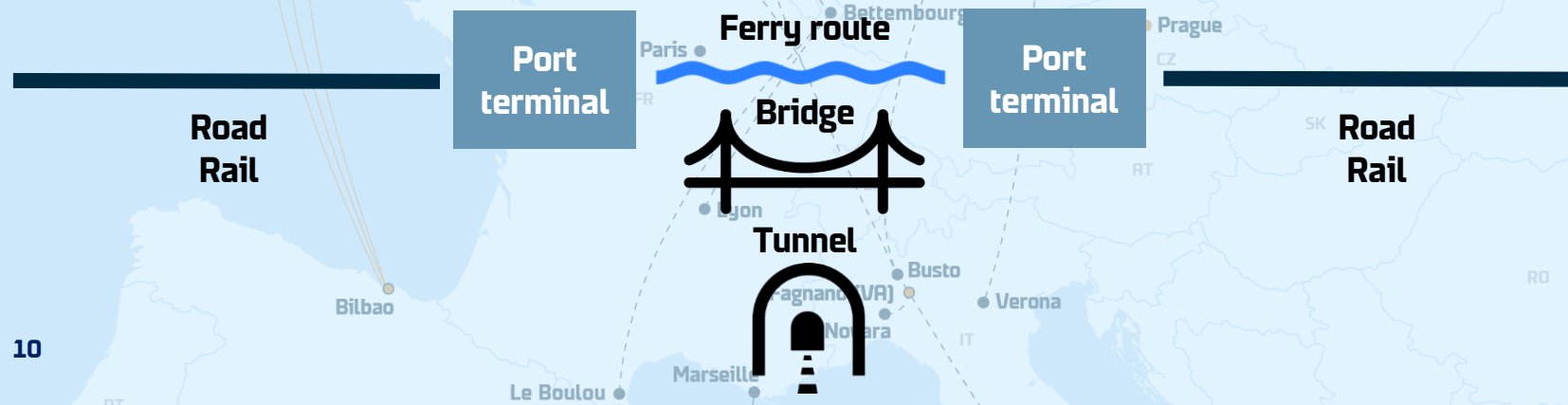
# FERRY ROUTE CAPACITY DYNAMICS

- stepwise addition of ferries leverages capacity significantly

Route	No. of ships on route today	Minimum required no. of ships for entry	Capacity impact of entry*
Dover-Calais	8	3	38%
Gothenburg-Immingham	3	2	67%
Fredericia- Copenhagen- Klaipeda	1	1	100%

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

## Freight Infrastructure



# KEY NORTHERN EUROPEAN FERRY COMPANIES

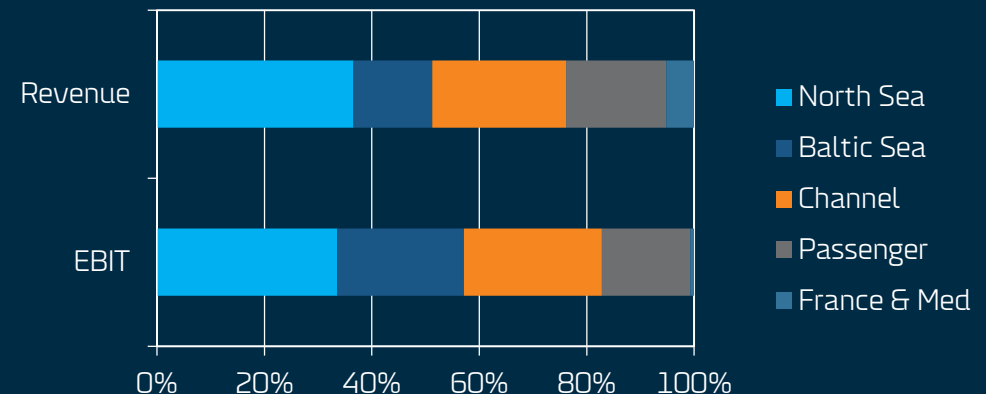


# SHIPPING

## Business units and ROIC 2016

North Sea	Baltic Sea	Channel	Passenger	France & Med
12%	30%	20%	43%	n.a.

## 2016: Shipping Division





- **Ro-Ro/Ro-Pax** shipping: roll on, roll off of **freight units** and **passenger cars**
- Routes can carry **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

*Combined freight and passengers (ro-pax). Baltic Sea, e.g. Kiel-Klaipeda*



*Freight only (ro-ro). North Sea, e.g. Gothenburg-Immingham*



*Day ferry (ro-pax). Channel, e.g. Dover-Dunkirk*



*Passengers with freight (cruise ferry). Passenger, e.g. Copenhagen-Oslo*



*Ro-ro trailer deck*



# North Sea

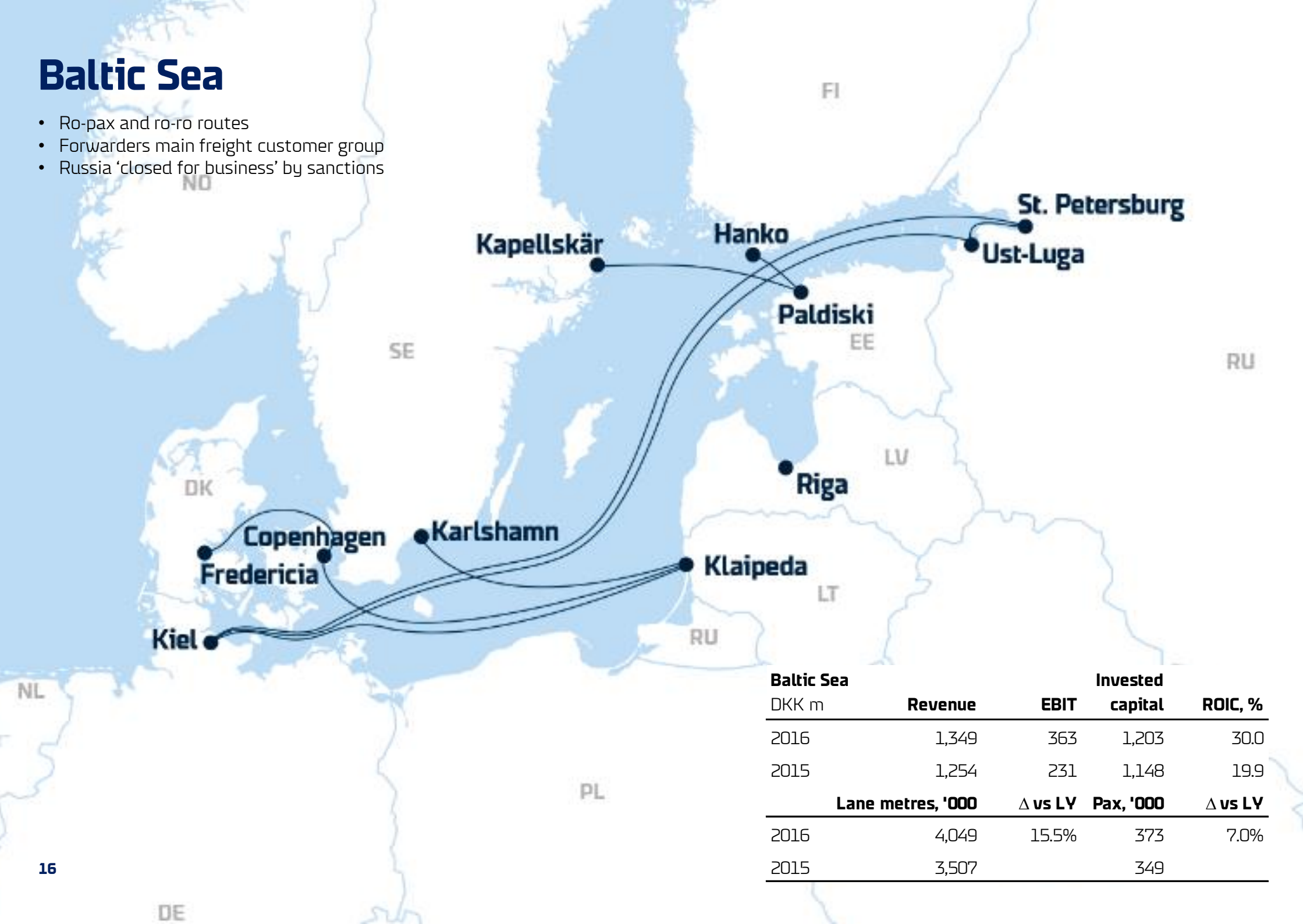
- Only ro-ro routes (freight-only)
- High share of industrial customers out of Sweden
- Forwarders main customer group UK-Continent



North Sea		Invested capital		
DKK m	Revenue	EBIT	Pax, '000	ROIC, %
2016	3,365	515	4,168	12.1
2015	3,402	458	4,368	10.3
Lane metres, '000		Δ vs LY	Pax, '000	Δ vs LY
2016	11,770	5.5%	n.a.	n.a.
2015	11,159			

# Baltic Sea

- Ro-pax and ro-ro routes
- Forwarders main freight customer group
- Russia 'closed for business' by sanctions



Baltic Sea	Revenue		Invested capital	ROIC, %
DKK m		EBIT		
2016	1,349	363	1,203	30.0
2015	1,254	231	1,148	19.9
	Lane metres, '000	Δ vs LY	Pax, '000	Δ vs LY
2016	4,049	15.5%	373	7.0%
2015	3,507		349	

# Channel

- Ro-pax routes
- Forwarders main freight customer group
- Seasonal passenger market, Q3 high season

Channel			Invested	
DKK m	Revenue	EBIT	capital	ROIC, %
2016	2,288	394	1,937	20.3
2015	1,853	198	1,203	16.4
	Lane metres, '000	Δ vs LY	Pax, '000	Δ vs LY
2016	20,325	36.2%	4,921	18.2%
2015	14,923		4,163	

Dover  
Calais  
Dunkirk

# Passenger

- Cruise ferry routes, overnight crossings
- Seasonal passenger market, Q3 high season
- Increasing share of overseas passengers

Newcastle

Oslo

Copenhagen

Amsterdam (IJmuiden)

Passenger DKK m	Revenue	EBIT	Invested capital	ROIC, %
2016	1,713	253	577	43.1
2015	1,742	219	677	31.3
Lane metres, '000		Δ vs LY	Pax, '000	Δ vs LY
2016	634	8.2%	1,318	-0.1%
2015	586		1,319	

# France & Mediterranean

- Ro-pax and ro-ro routes
- Forwarders main freight customer group
- Newhaven-Dieppe concession route

Newhaven

Dieppe

Marseille

Tunis

## France & Med

DKK m

Revenue

EBIT

Invested  
capital

ROIC, %

2016	481	11	-29	n.a.
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2015	501	5	-36	n.a.
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Lane metres, '000

Δ vs LY

Pax, '000

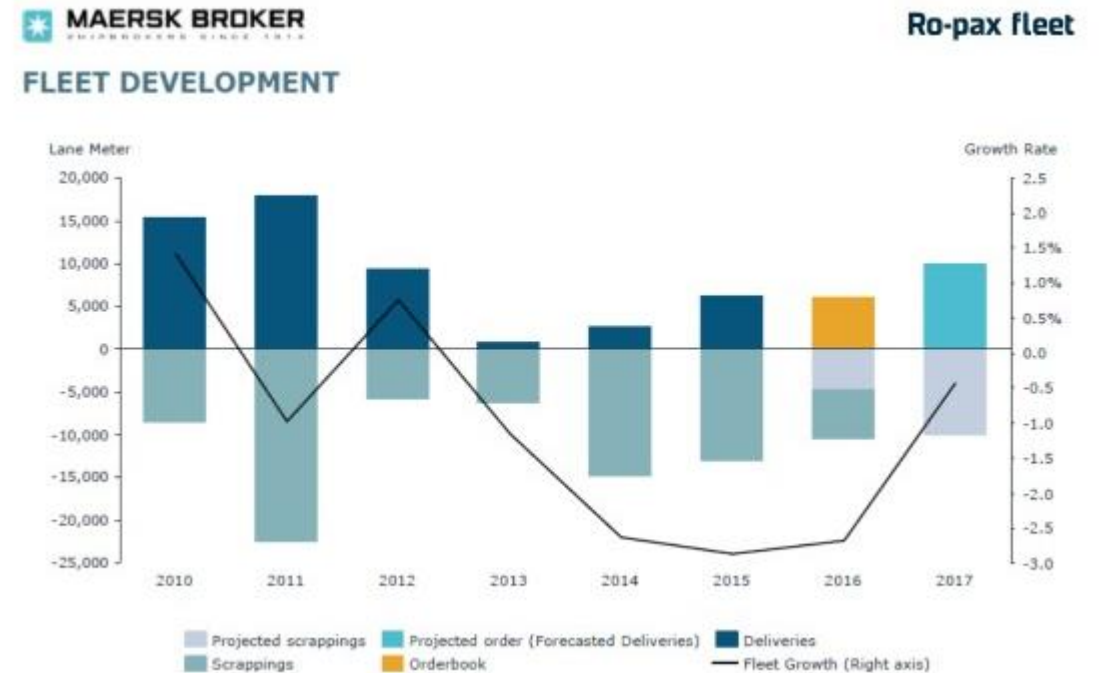
Δ vs LY

2016	1,003	-13.4%	353	-2.6%
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2015	1,158		362	
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# Balanced ferry market – operators ordering for own routes

- Freight ferry (ro-ro) capacity expected to slightly increase in 2017 following significant decline since 2011
- Combined pax/freight ferry (ro-pax) capacity expected to continue decline in 2017 following decline since 2012
- New ferries ordered tend to be larger, hence fewer required to meet capacity goals
- Order book consists primarily of orders from Cobelfret, Stena Line and DFDS
- Limited availability of ferries for potential ‘speculative’ entrants

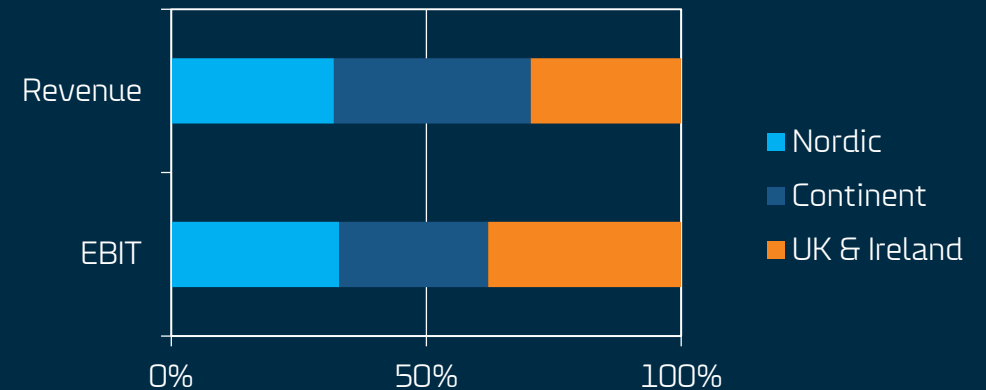


# LOGISTICS

## Business units and ROIC 2016

Nordic	Continent	UK & Ireland
16%	11%	13%

## 2016: Logistics Division



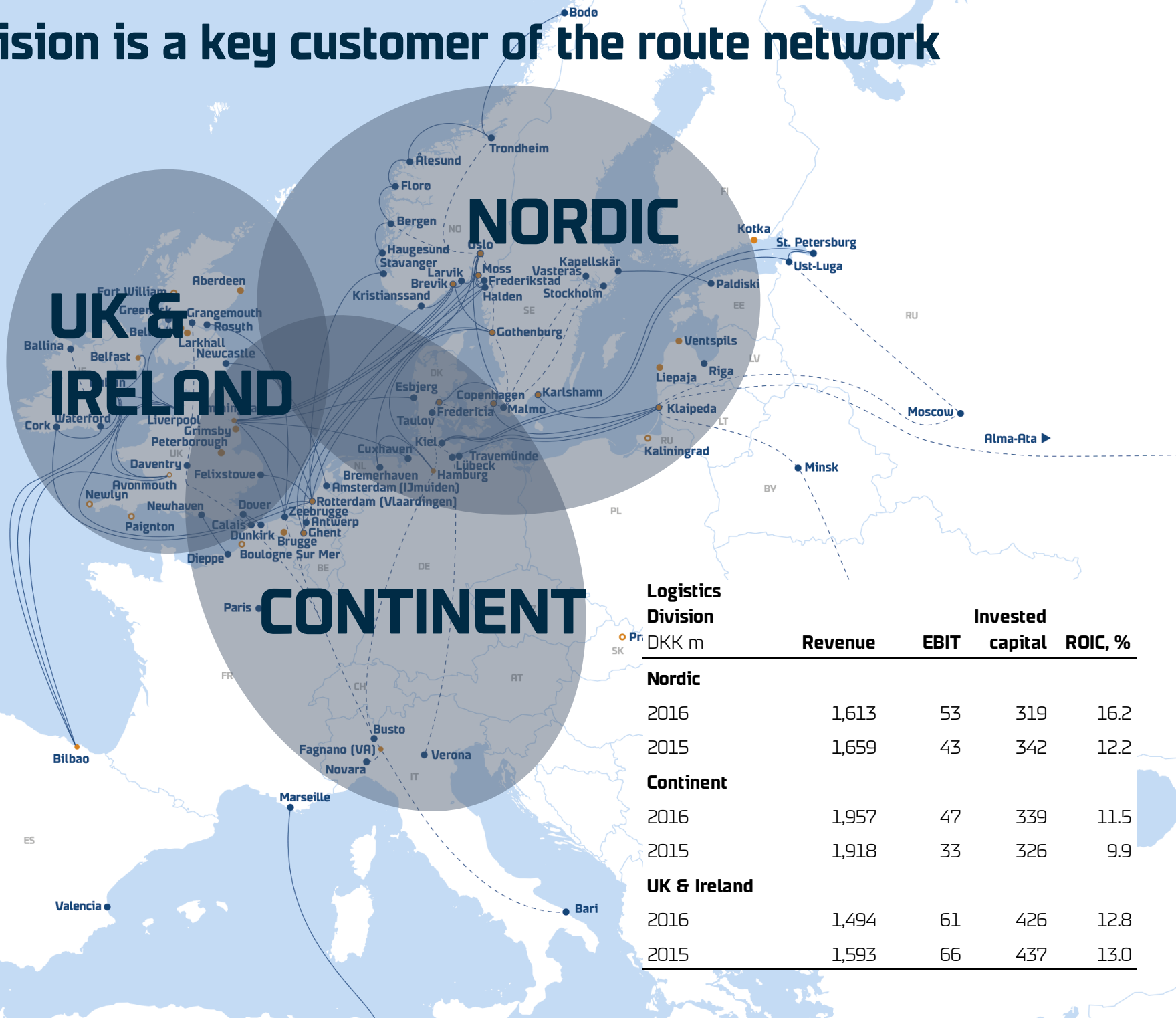
# Logistics Division: growing share of contract logistics

Activity	Nordic	Continent	UK & Ireland
<b>Door-door full &amp; part loads (trailers, containers &amp; rail)</b>	<ul style="list-style-type: none"> <li>Scandinavia-UK/Baltics/Continent</li> </ul>	<ul style="list-style-type: none"> <li>Continent-Scandinavia/UK/Ireland</li> </ul>	<ul style="list-style-type: none"> <li>Northern Ireland-UK</li> <li>Ireland/UK-Spain</li> <li>UK domestic</li> </ul>
<b>Contract logistics</b>	<ul style="list-style-type: none"> <li>Automotive, Gothenburg</li> </ul>	<ul style="list-style-type: none"> <li>Automotive, Germany-UK, Belgium</li> </ul>	<ul style="list-style-type: none"> <li>Temperature controlled, Scotland, England</li> <li>Retail, Northern Ireland</li> </ul>
<b>Paper shipping logistics</b>	<ul style="list-style-type: none"> <li>Norway-Continent/UK</li> </ul>		



# Logistics Division is a key customer of the route network

- Top 3 customer of Shipping Division
- 8% of total shipping volumes
- 10-20% volume target on individual routes



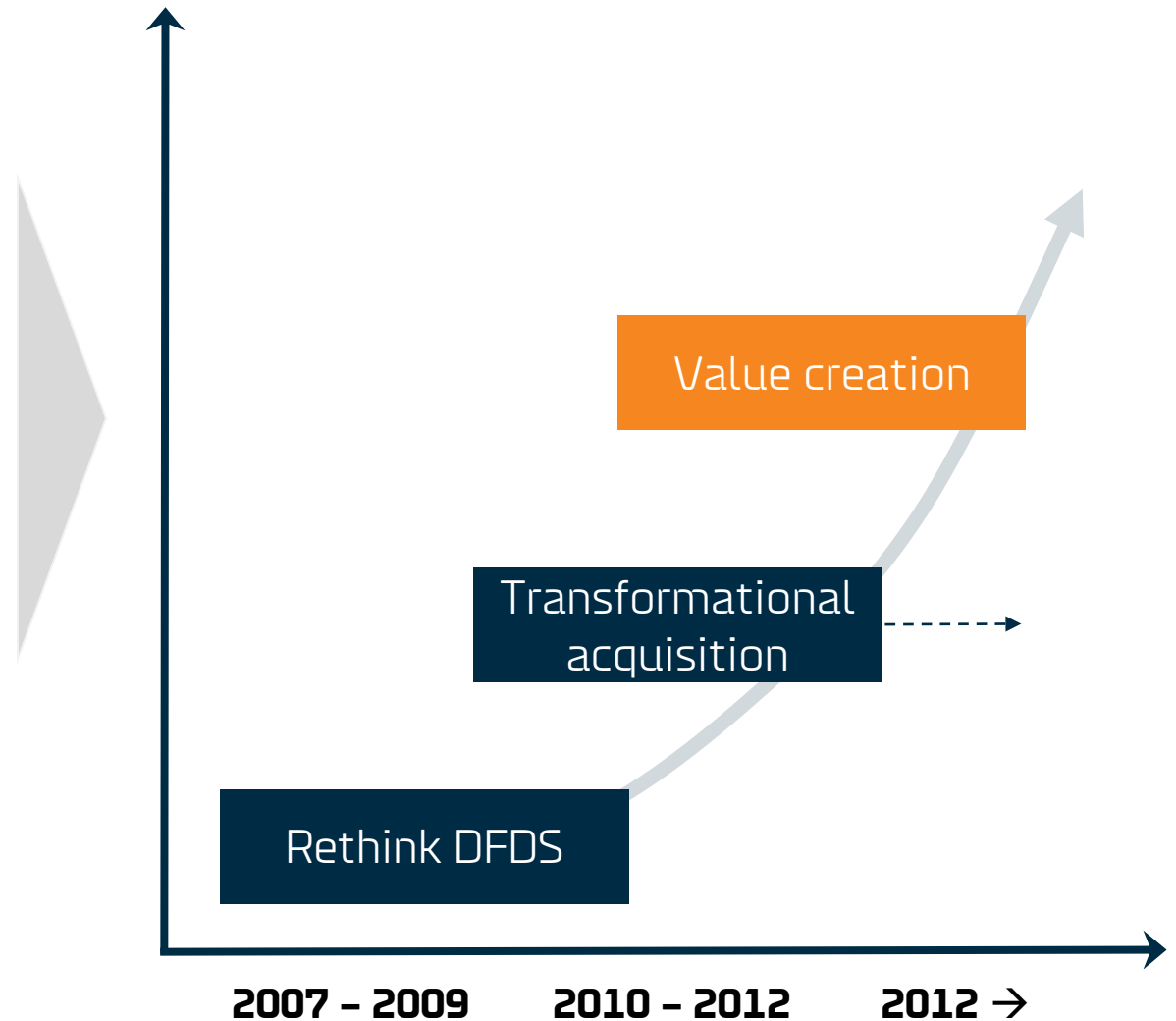
Logistics Division	Revenue	EBIT	Invested capital	ROIC, %
DKK m				
<b>Nordic</b>				
2016	1,613	53	319	16.2
2015	1,659	43	342	12.2
<b>Continent</b>				
2016	1,957	47	339	11.5
2015	1,918	33	326	9.9
<b>UK &amp; Ireland</b>				
2016	1,494	61	426	12.8
2015	1,593	66	437	13.0

# HOW WE RUN DFDS

# Core strategy supports path of value creation

## Core strategy

1. The DFDS Way: **Customer focus and continuous improvement**
2. Network strength: **Expand network to leverage operating model**
3. Integrated shipping and logistics operations: **Working together to optimise capacity utilisation**
4. Financial strength and performance: **Reliable, flexible, long-term partner**



# 3 key strategic demands and supporting initiatives

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## 1. Top line focus

## 2. Increase efficiency and reduce cost base

## 3. Acquisitions and investments for future growth



Continuous improvement projects



M&A



IT systems development



Fleet strategy



Digital

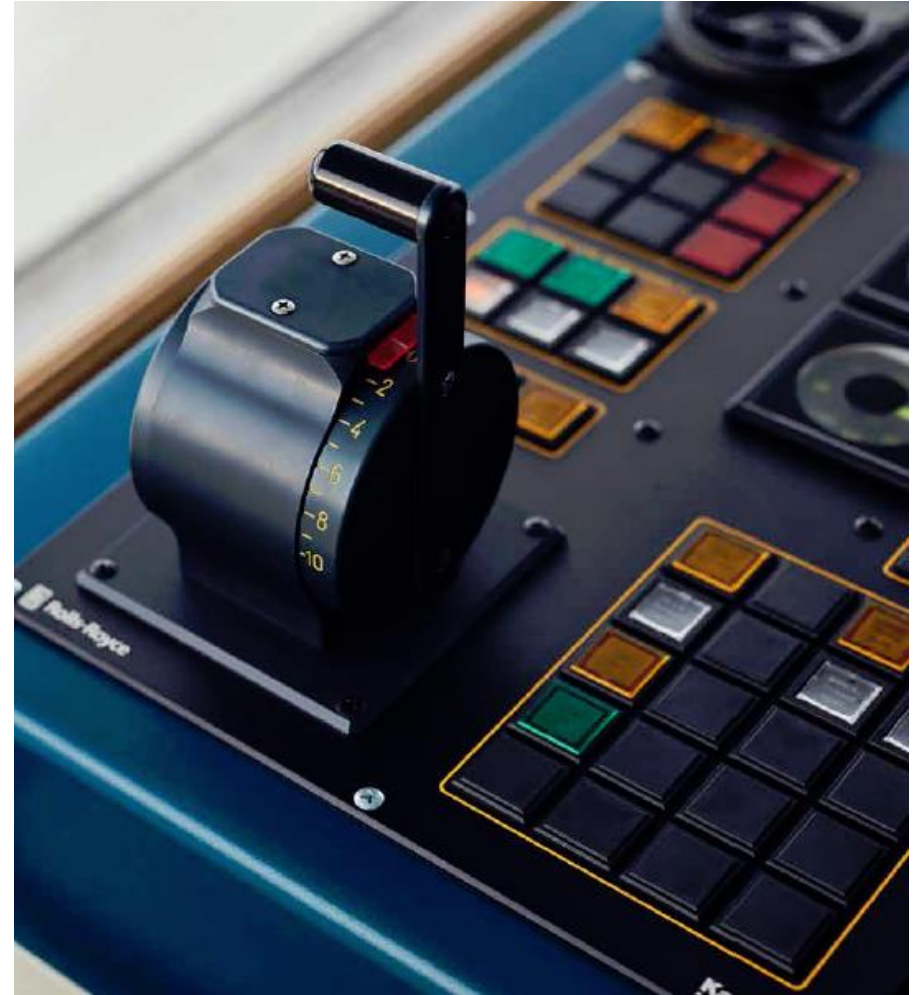


DFDS WAY 2.0

# Continuous improvement projects

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- **Toplight** – simplified rate structure and preparing for digital customer solutions and efficiency gains in freight shipping
- **Carpe Momentum** – improve on board sales and spend per passenger on Channel routes
- **Haulage Drive** – improve efficiency of subcontracted haulage
- **DFDS WAY 2.0** – further development of operating model



# 3 key strategic demands

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## 1. Top line focus

## 2. Increase efficiency and reduce cost base

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Continuous improvement projects



M&A



IT systems development



Fleet strategy



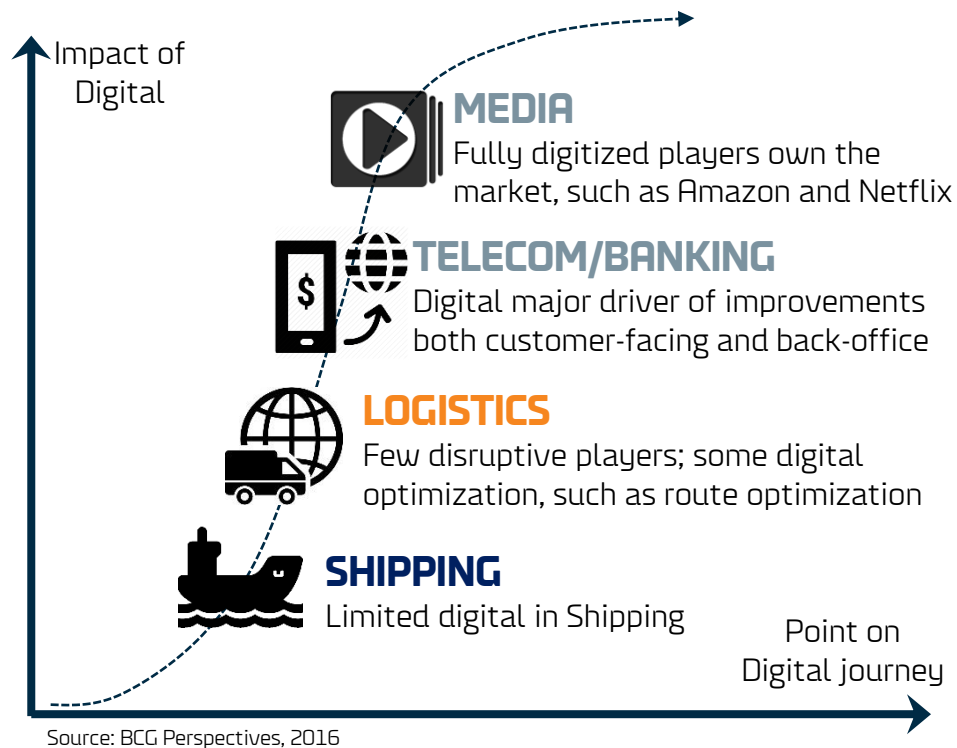
Digital



DFDS WAY 2.0

# DFDS' digital journey started in 2014

**OUR INDUSTRY** is still among the **LEAST DIGITAL**...



**DIGITAL:** a **KEY FOCUS AREA** for DFDS since 2014...

**DIGITALIZATION HIT OUR RADAR SCREEN LAST YEAR**

Date	Activity	Outcome
Mar 2014	DFDS Digital Marketing Outside-in analysis	Confusing customer experience 70% of customer decision journey happens before talking to a sales rep Search cannibalization Need for clear goals for web presence and tools
May 2014	Goals workshop	Make DFDS easy to do business with online Help customers understand the scope of the offer Easy online/mobile booking, Track and Trace, claims handling
Sep 2014	Discovery phase: scope & direction	"Provide a best-in-industry digital customer experience" approved as direction Logical information architecture, transactional tools across devices, and an internal organization to deliver this
Oct-Nov 2014	Goals, audit and final scope	Brand and information architecture not logical → brand architecture and user testing projects Multiple uncoordinated initiatives: need for a clear strategy and organizational ownership of the integrated customer experience

33 DFDS

Source: DFDS Digital Marketing Analysis, 2014

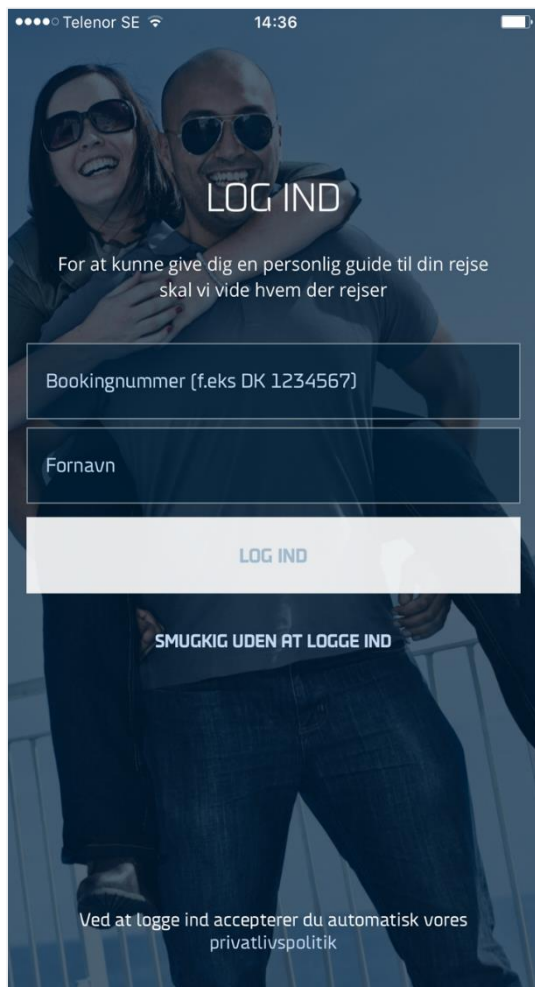
Confusing customer experience

No ways of doing business on mobile devices

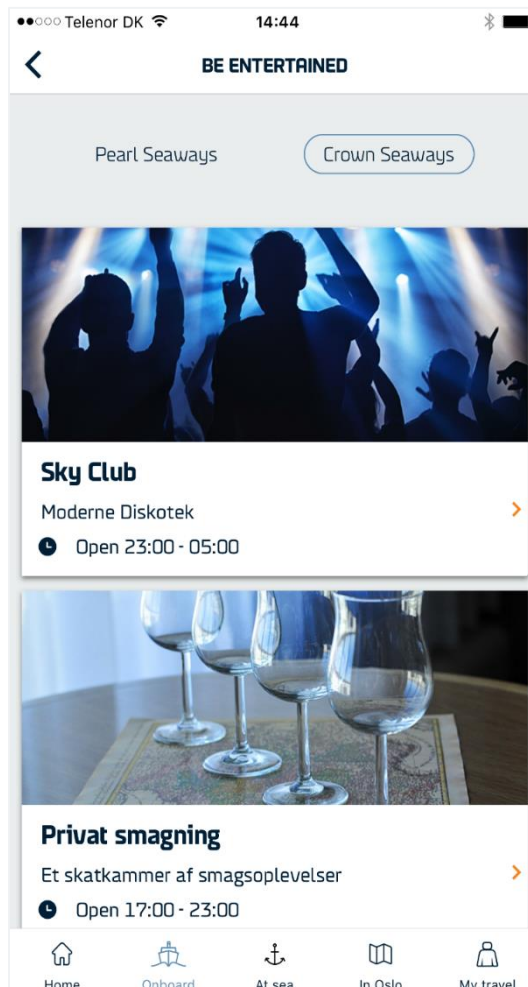
Website out of date and lack of technical foundation

**Current landscape provides both opportunities and threats for DFDS**

# Apps developed for both freight partners and passengers



*Passenger app for Copenhagen-Oslo route*



*Logistics app: POD, tracking, status update and driver communication*

# 3 key strategic demands

---

## 1. Top line focus



Continuous improvement projects



IT systems development



Digital



DFDS WAY 2.0

## 2. Increase efficiency and reduce cost base

## 3. Acquisitions and investments for future growth



M&A



Fleet strategy

# Creating value from operational and strategic synergies

- Focus on both **transformational** and **bolt-on** acquisitions
- **Shipping:**
  - Expand European network
  - Overlapping operations
  - Tonnage flexibility
  - Leverage operating model
- **Logistics:**
  - Expand and connect European network
  - Increased value-added services
  - Leverage operating model
- **Completed** transactions 2016:
  - Hanko-Paldiski route
  - Shetland Transport
  - Italcargo

	Revenue 2015, DKK bn	Routes	Regions	Major activity
<b>DFDS</b>	13.5	22	8	Across Northern Europe, Mediterranean (incl. sideport/container)
<b>Stena Line</b>	9.7	23	6	Across Northern Europe, Black Sea
<b>P&amp;O Ferries</b>	8.4	8	3	UK-Continent
<b>Tallink</b>	7.0	6	1	Baltic Sea North
<b>Viking Line</b>	4.0	3	1	Baltic Sea North
<b>Cobelfret</b>	3.9	7	4	Benelux-UK, Sweden-Belgium
<b>Finnlines</b>	3.8	8	7	Finland-Continent/UK, Baltic Sea South
<b>Color Line</b>	3.7	3	1	Norway-DK/Germany
<b>Brittany Ferries</b>	3.5	7	3	UK-France/Spain
<b>Scandlines</b>	3.4	2	1	Denmark-Germany
<b>ICG</b>	2.4	4	1	Ireland-UK/Continent
<b>Transfennica</b>	n.a.	3	6	Finland-Continent/UK
<b>Eckerö</b>	1.8	3	1	Baltic Sea North
<b>Seatruck</b>	n.a.	3	1	Ireland-UK
<b>TT-Line</b>	1.2	2	1	Sweden-Germany/Poland
<b>Polferries</b>	n.a.	2	1	Poland-Sweden
<b>Unity Line</b>	n.a.	2	1	Poland-Sweden

# Operational agility

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- **Faster** adaptation of capacity to changes in volumes
- Capacity increased on routes in Baltic Sea, North Sea South and Channel to accomodate higher volumes
- Capacity decreased between UK and Sweden
- **Adjustment options** for freight routes to reduce fixed costs:
  - Changed frequency of schedule
  - Rotation of larger/smaller ships between routes
  - Number of ships, including charter of ships or redelivery of chartered ships
- **Logistics** operations has high share of variable costs and can be adapted within months to market changes



# Value creation supported by DFDS' incentive structures

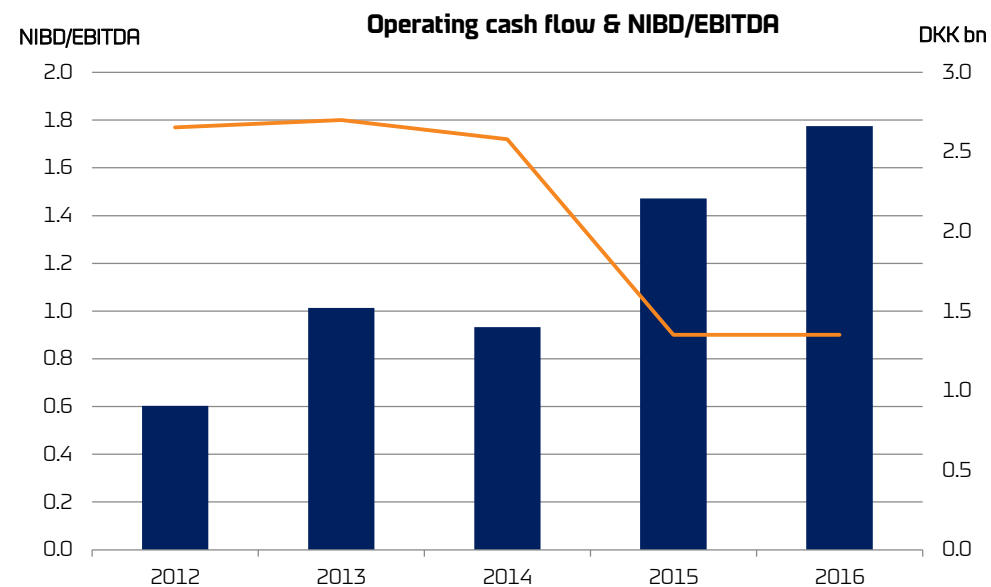
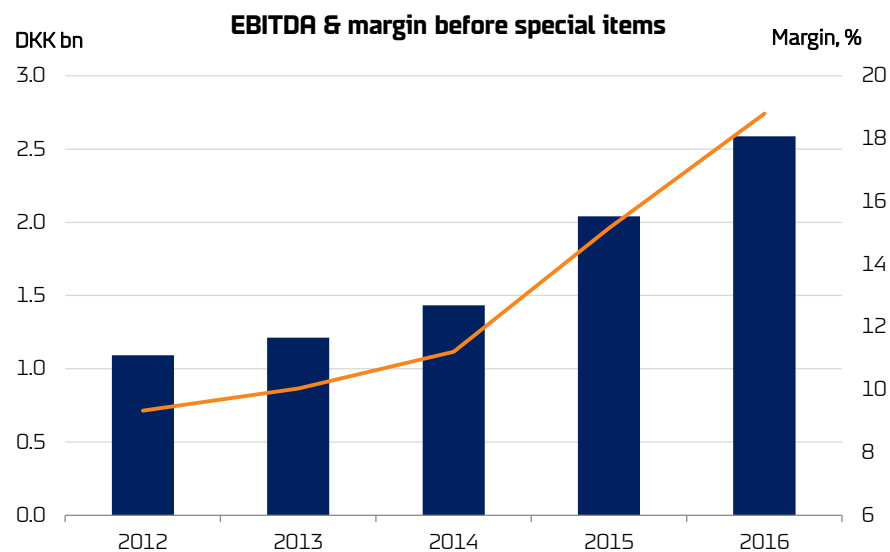
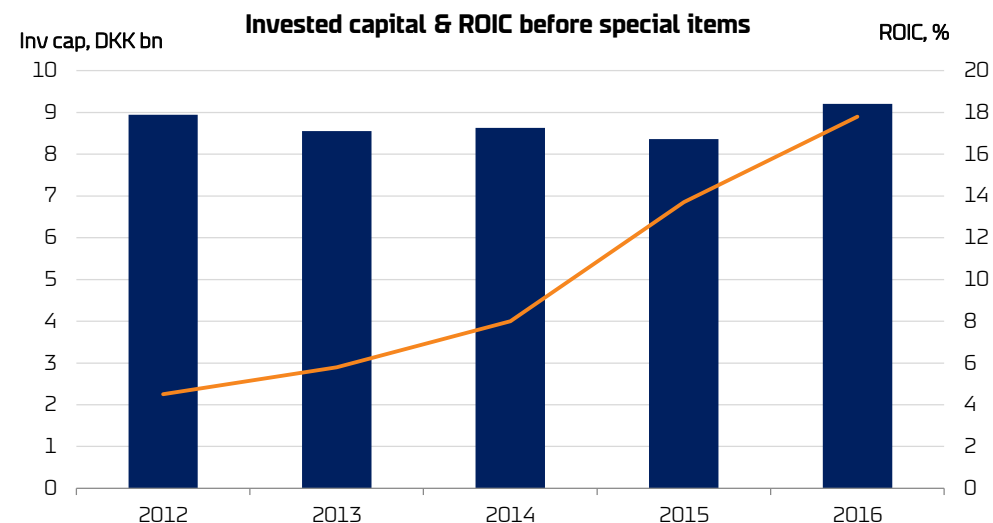
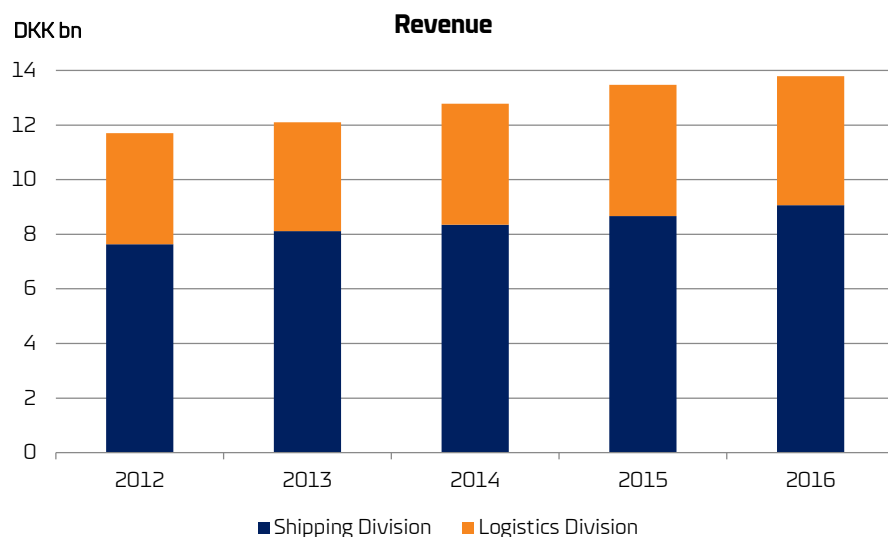
- **PIP** – annual performance incentive programme
- Around 300 managers included with individual goals
- Bonus also linked to Group and Division goals
- **Share option programme**
- Extended to 25 managers in 2011
- Around 30 managers included today
- Three-year vesting period



From left to right: Henrik Holck, Peder Gellert Pedersen, Niels Smedegaard (shareholding: 148,168 shares), Eddie Green, Torben Carlsen (shareholding: 80,000 shares)

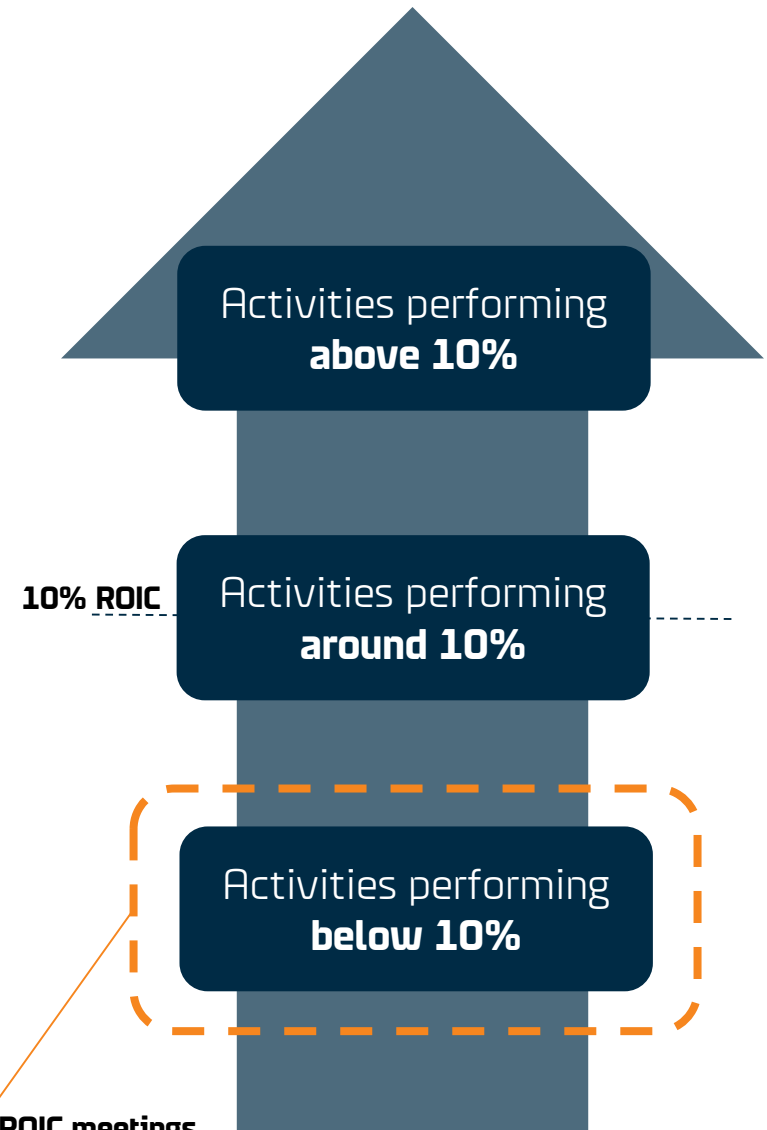
# HOW WE PERFORM

# EBITDA increased to DKK 2.6bn – ROIC now at 18%



# ROIC Drive – activity by activity performance benchmark

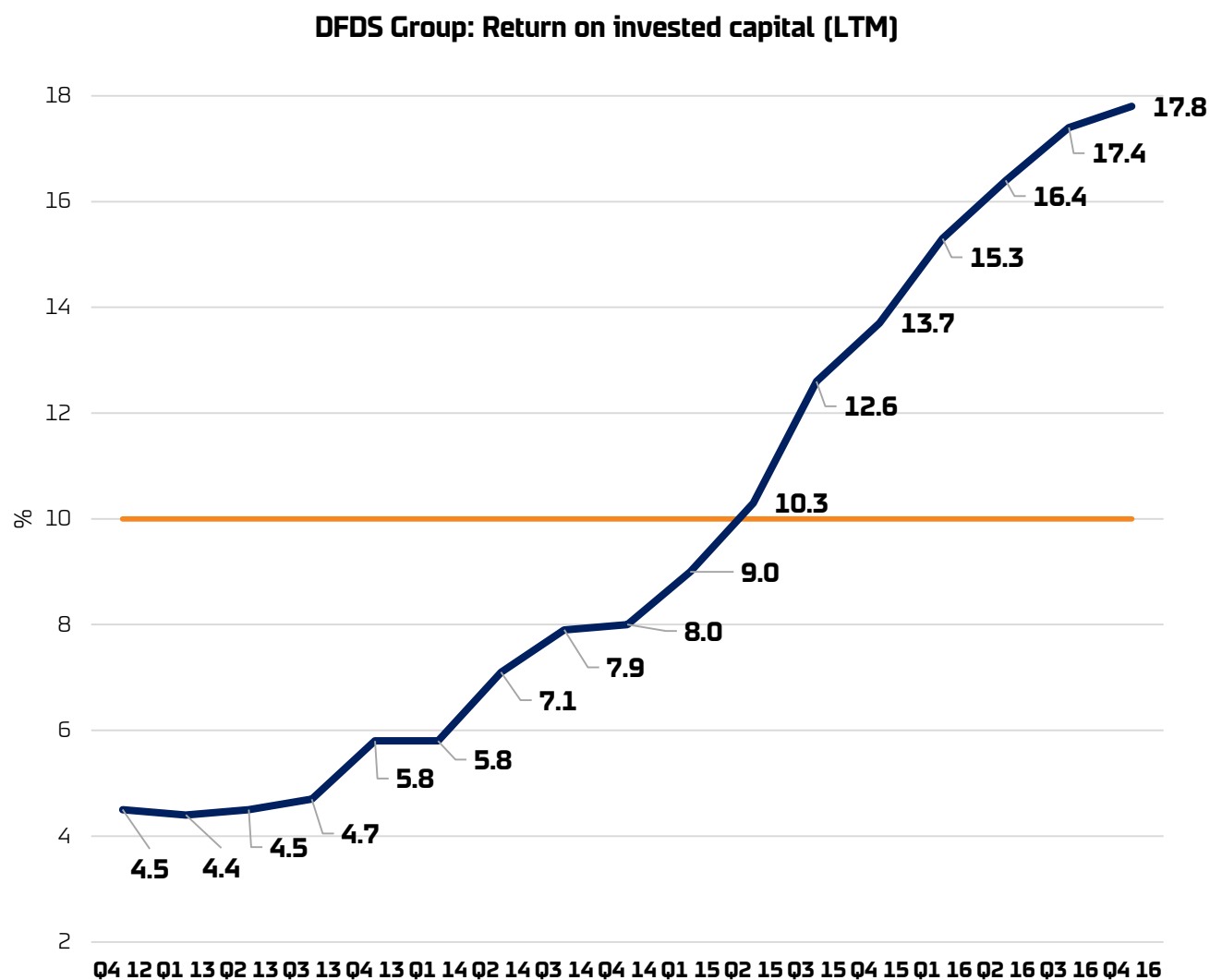
- Around 90 profit-generating activities covered by programme
- Simple ROIC scorecard makes programme accessible for activity managers
- 3-year high-level rolling business plans, review meetings with top management
- Internal performance ranking and benchmarking
- Threshold rate of 10% for investments, including acquisitions



Key focus areas for ROIC meetings, business plans, benchmarking and structural solutions

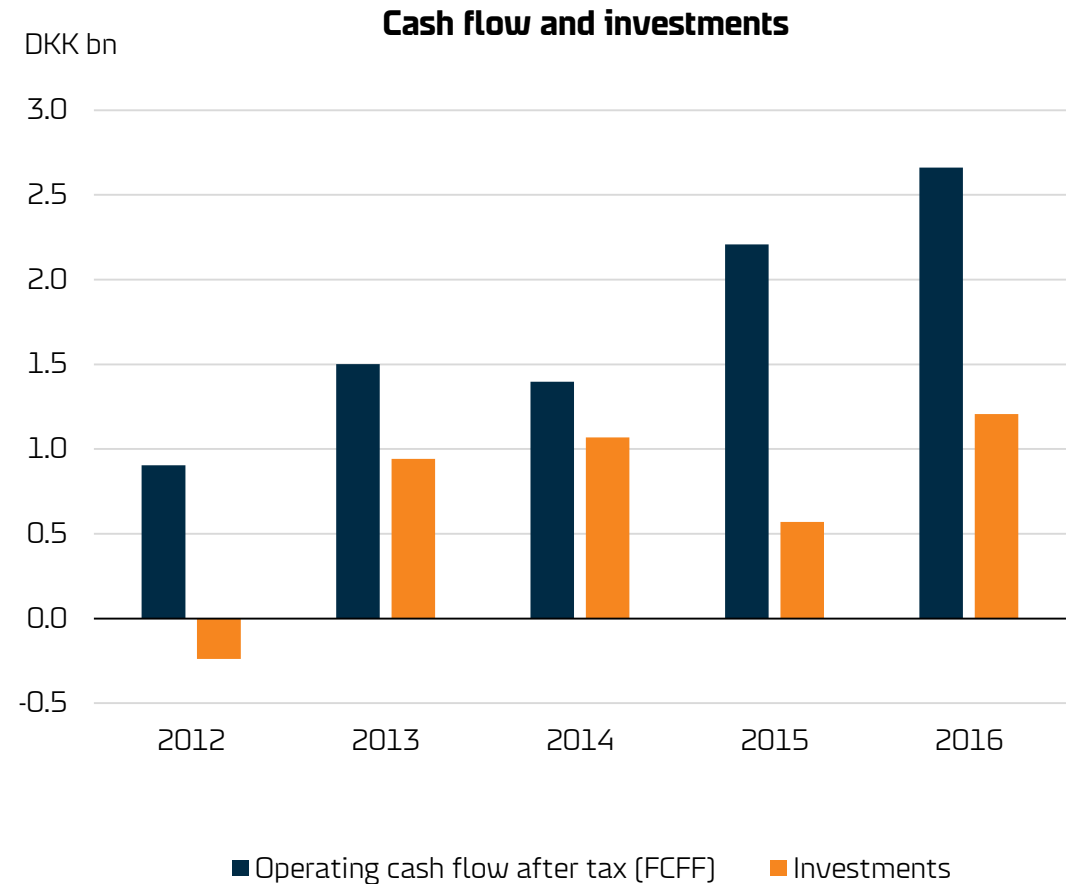
# Steady ROIC improvement

- **Major challenges resolved:**
  - Gothenburg-Immingham: entry/exit competitor, Jan 2012 – Mar 2013
  - Russian market sanctions from Jan 2014
  - Channel turnaround from 2012
  - Closure of 3 routes end 2014
  - Successful transition to new Sulphur rules
- **Continuous improvement projects,** > 3 every year driven by The DFDS Way
- **ROIC Drive** programme
- Tailwind from moderate **pick-up in EU growth** since 2014
- ROIC requirement applicable for all investments, including acquisitions



# Cash generation and CAPEX

- **Cash conversion** around 100%
- Cash flow boosted by **Light Capital** project started in 2013 to reduce working capital
- **Limited tax** payments due to European tonnage tax regime
- Investments expected to stay below operating cash flow for next cycle of investments
- Planned major **CAPEX**:
  - 2017
    - DKK 750m payment of 2 Channel ferries
    - DKK 350m dockings/ship upgrades
    - DKK 200m port terminals
    - DKK 150m logistics equipment
    - DKK 170m freight new buildings
    - DKK 80m IT-systems and other
  - 2018: payments on 2 freight new buildings
  - 2019: delivery of 2 freight new buildings



# Increased distribution of capital

- Total of **DKK 1.26bn** distributed in 2016 to shareholders
- **Dividend** per share proposed to be paid in 2017 increased by 33% to DKK 8.00 per share
- **Auction buyback** completed 21 February at DKK 487m vs DKK 400m in 2016
- **Buyback** of DKK 300m started on 8 February for completion latest 15 Aug 2017
- Planned distribution currently **DKK 1.32bn against DKK 1.00bn** at the same time last year

## Capital distribution overview

DKK m	2015 Actual	2016 Actual	2017 Current plan
<b>Dividend per share, DKK</b>	<b>5.40</b>	<b>6.00</b>	<b>8.00</b>
Dividend, Apr	218	175	170
Dividend, Aug	108	174	280
<b>Total dividend</b>	<b>326</b>	<b>349</b>	<b>450</b>
Buyback, auction	-	400	487
Buybacks, other	401	514	386
<b>Total share buybacks</b>	<b>401</b>	<b>914</b>	<b>873</b>
<b>Total distribution</b>	<b>727</b>	<b>1,263</b>	<b>1,323</b>

Dividends exclude treasury shares

# Strategic priorities 2017

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- **Customer focus** – growing the topline
- **Continuous improvement:** achieve benefits from programmes
- **Fleet renewal:** deployment of two freight ship (ro-ro) new buildings and further decisions on fleet strategy
- **Digital:** significant spending boost in digital and IT capabilities – up DKK 80m versus 2016
- **M&A** opportunities



# Q&A

DFDS GROUP



March  
2017



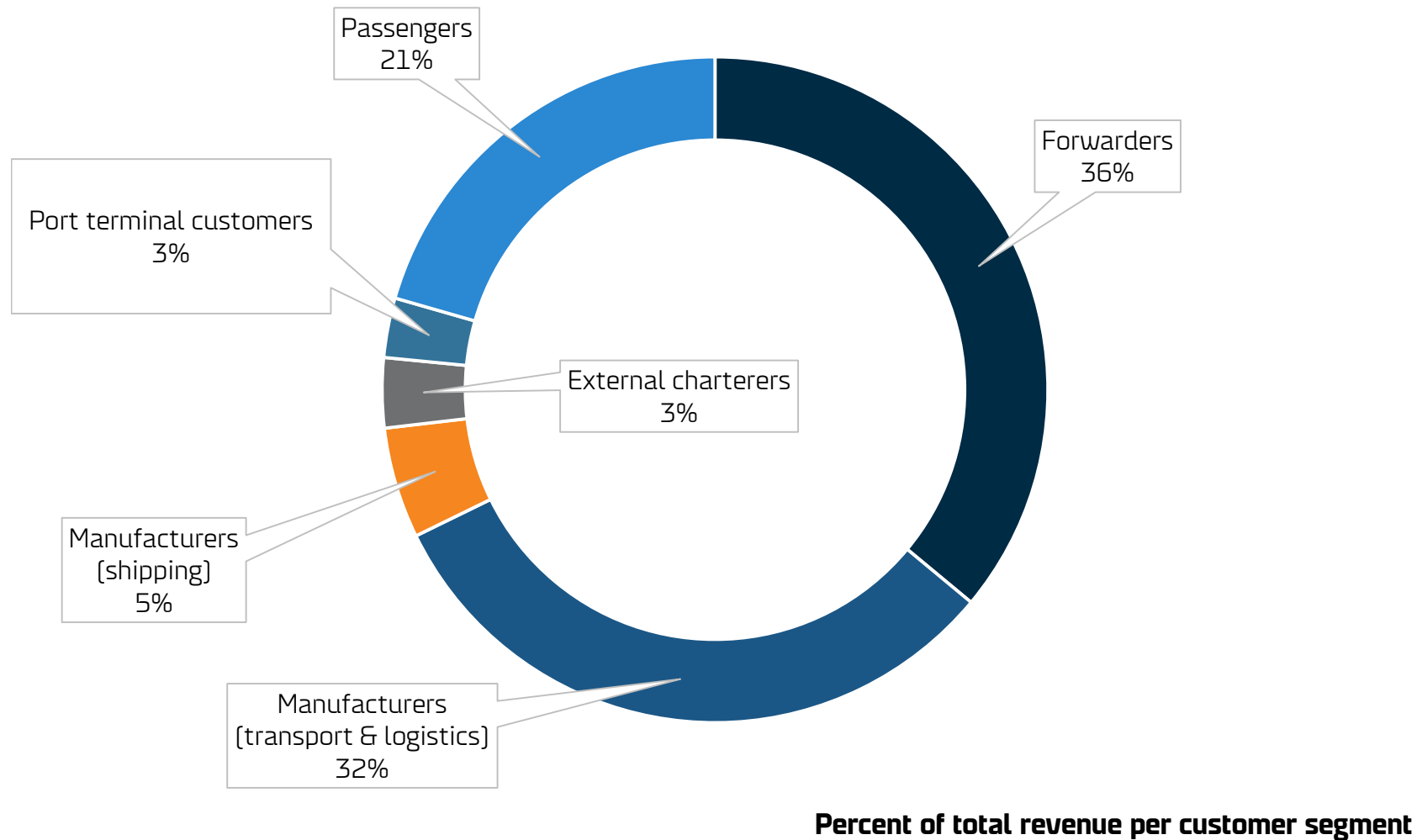
# APPENDICES

# DFDS fleet overview and key figures 2016

	Total ships	Ro-ro ships	Ro-pax ships	Passenger ships	Container and sideport ships	Ownership share, %	Average age of owned ships, yrs
<b>DFDS Group</b>	57	23	18	4	12	-	16
<b>Shipping Division</b>	41	23	14	4	-	-	-
North Sea	19	19	-	-	-	68	12
Baltic Sea <sup>1</sup>	9	2	7	-	-	67	15
Channel	6	-	6	-	-	67	14
Passenger	4	-	-	4	-	100	27
France & Mediterranean <sup>1</sup>	3	2	1	-	-	33	20
<b>Logistics Division<sup>1</sup></b>	12	-	-	-	12	-	-
Nordic <sup>1</sup>	5	-	-	-	5	40	18
Continent <sup>1</sup>	7	-	-	-	7	0	-
Chartered out ships	3	-	3	-	-	100	23
Laid-up ships	1	-	1	-	-	0	-

<sup>1</sup> Includes VSAs (vessel sharing agreements) and SCAs (slot charter agreements)

# Diverse customer base: forwarders, manufacturers & passengers



# DFDS' DIGITAL JOURNEY



# The world is changing



# Our digital vision

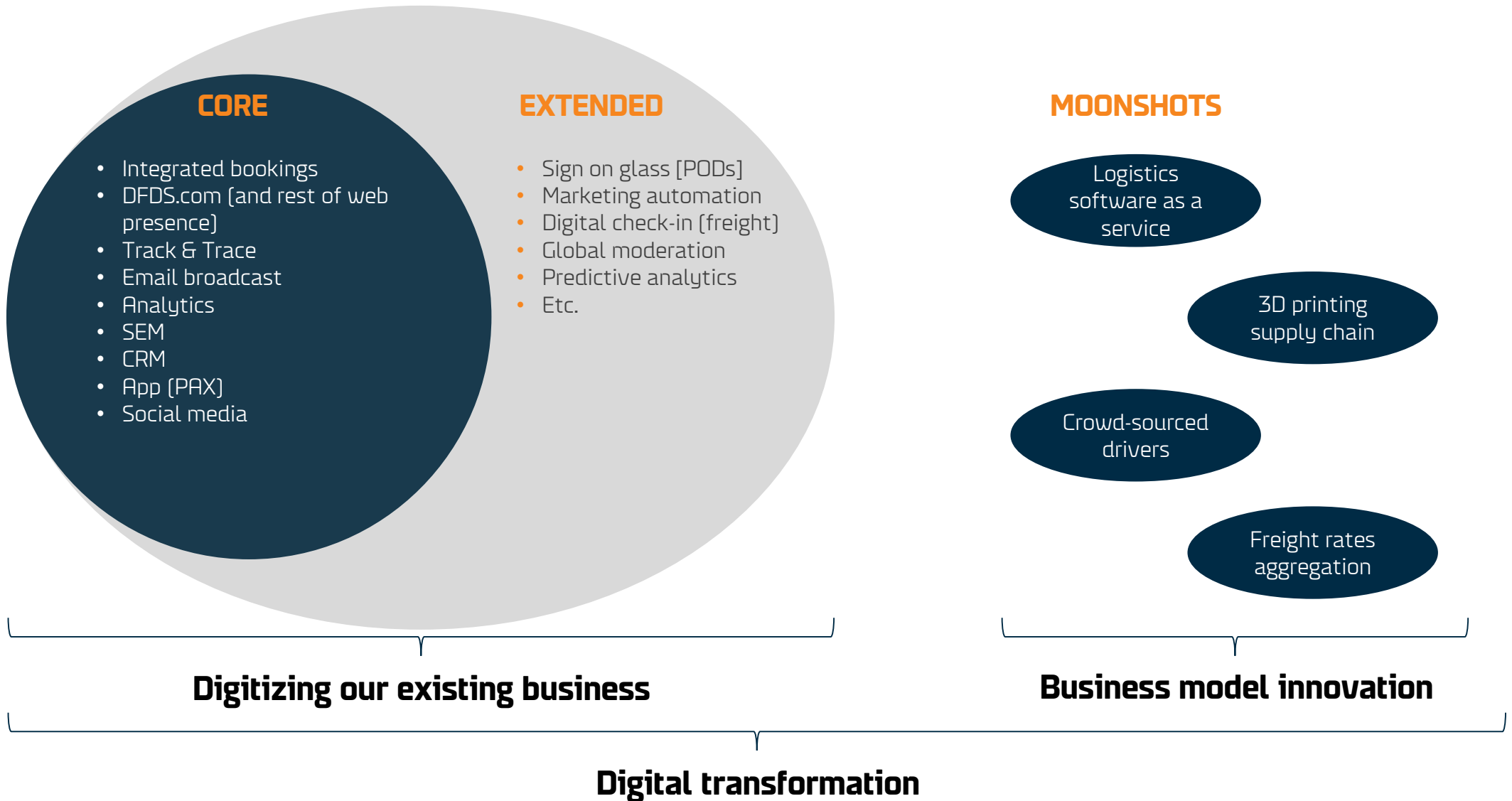
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A **best-in-industry digital experience** for customers generating tangible business benefits for **customers and DFDS**

## Digital strategy

- IT systems must support digital
- Enhance operational efficiency
- Digital customer solutions
- Digital awareness and competencies
- Digital business model innovation

# Focus on “core” and “extended” in our activity split



# DFDS' digital journey – wrap-up

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- We are well on our way
- We see significant value creation opportunities through enhanced customer focus, experience and satisfaction...
- ...and through more efficient operations
- Our continuous improvement culture, helps drive our digital transformation



# SOLID Q4 AND STRONG 2016

DFDS GROUP  
Q4 2016

7 February  
2017

# Contents

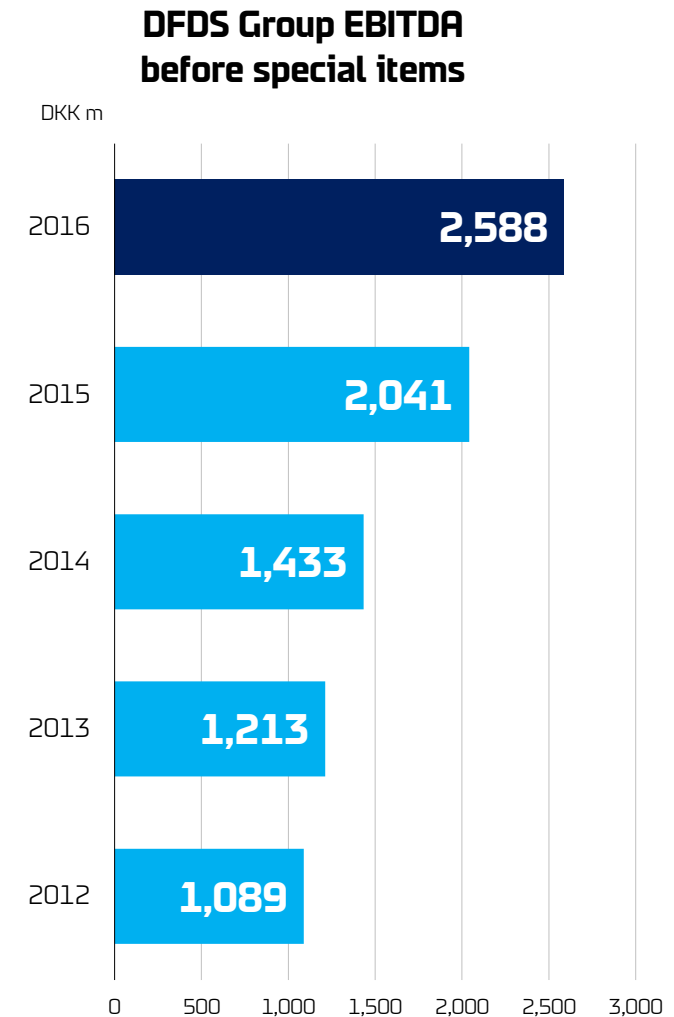
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- Overview
- Q4 and FY numbers
- Capital distribution
- Outlook 2017
- Strategic priorities 2017

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.

# Pursuit of improvement continues on back of higher earnings

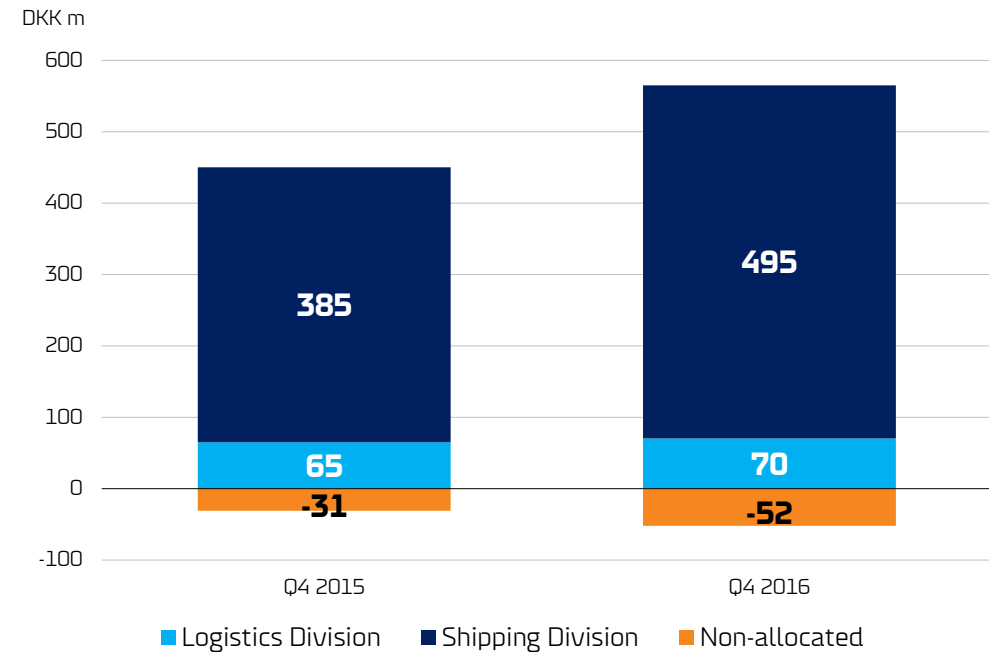
- Earnings level raised considerably in 2016 – **EBITDA up by 27% to DKK 2.6bn**
- ‘Normalisation’ of **Channel** and full-year impact of more efficient **Baltic** route network were key drivers of the improved performance
- **North Sea** and **Passenger** also improved performance on backdrop of moderate economic growth in Europe
- **Logistics** continued to raise margins supported by additional contract logistics activities
- Route network and logistics **well positioned** supported by ongoing efficiency and improvement projects
- **Continued GDP-growth** of European macro outlook supportive for continued volume growth



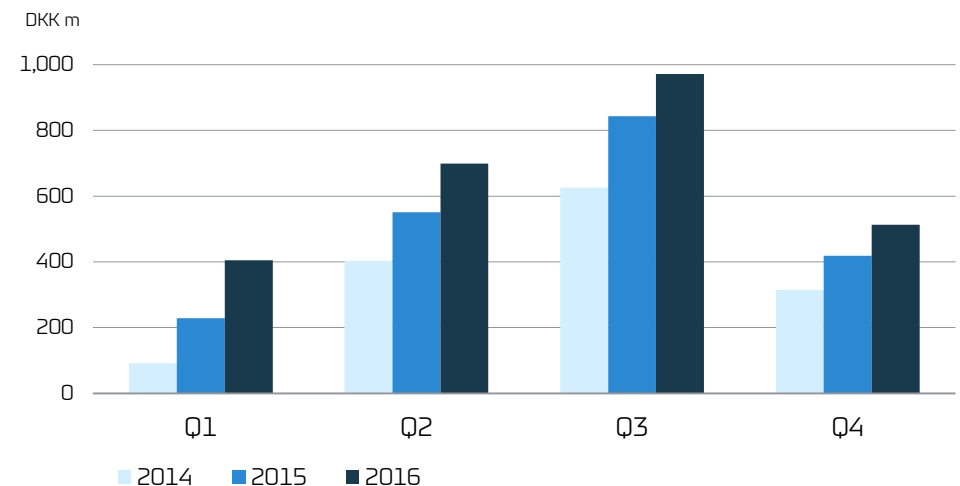
# Solid Q4

- **EBITDA** increased by 23% to DKK 513m in Q4
- Some slowdown of activity going into Q4, strong pick-up in last half of Q4 that has continued into 2017
- UK economy impacted by lower GBP in usual ways – no Brexit impact apparent
- **Freight volumes** increased by 17% in Q4 and by 8% excluding Channel and Hanko-Paldiski acquired in October
- **Pax volumes** up by 6% in Q4 and up by 2% excluding Channel and Hanko-Paldiski

EBITDA BEFORE SPECIAL ITEMS, Q4

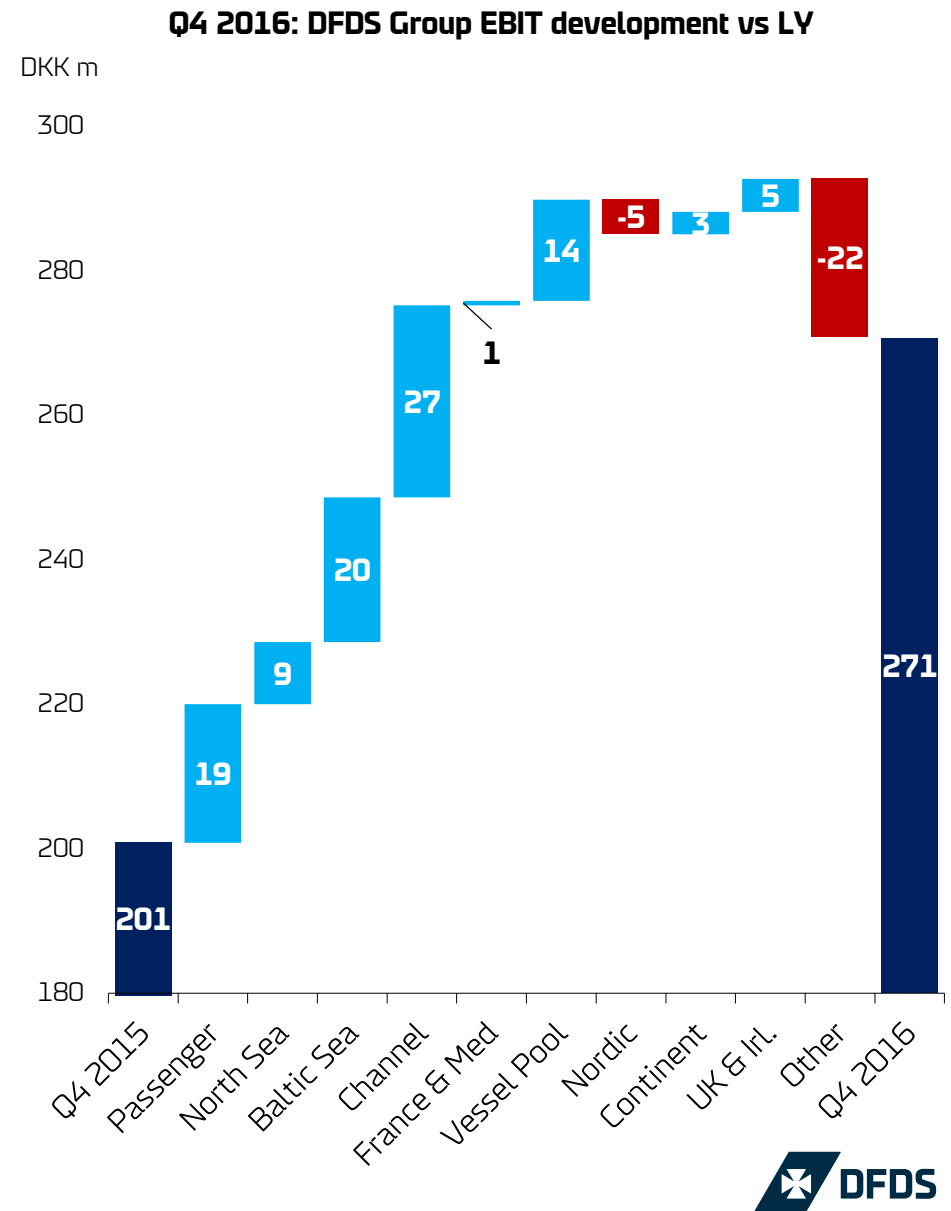


DFDS GROUP - EBITDA BEFORE SPECIAL ITEMS PER QUARTER



# Main EBIT drivers in Q4

- **Passenger +19m:** positive impact from lower bunker costs and other cost savings
- **North Sea +9m:** increase mainly driven by volume growth of 7%
- **Baltic Sea +20m:** result lifted by volume growth of 12% supported by extra capacity. Start-up cost for Paldiski-Hanko
- **Channel +27m:** result was flat adjusted for redelivery costs in 2015. Costs of additional capacity balanced by freight volume growth of 21%
- **Nordic -5m:** impact from lower activity and balance changes. DKK 2m income from previous years in 2015
- **Continent/UK & Ireland +8m:** improved performance achieved for several activities in both units



# Q4 2016 in numbers

- **6% revenue growth** excluding revenue from bunker surcharges and adjusted for currency changes. Reported revenue up by 1%
- EBITDA-margin increased in both divisions. Group **EBITDA-margin** increased to 15%
- Increase in **depreciations** mainly due to a write-down of economy packs for two ships
- **Net finance cost** includes a gain of DKK 25m from sale of shares in Danish ship Finance
- **Profit before tax** up by 67% to DKK 262m
- **Invested capital** increased mainly due to addition of Channel ferries in Q1 and purchase of a ro-pax ship in Q2
- **ROIC LTM\*** increased to 17.8% (2015: 13.7%) before special items

DKK m	Q4 16	Q4 15	Change	Change %
REVENUE	3,351	3,324	27	1%
<b>EBITDA BEFORE SI</b>	<b>513</b>	<b>418</b>	<b>94</b>	<b>23%</b>
margin, %	15.3	12.6	2.7	n.a.
P/L associates	0	0	0	n.a.
Gain/loss asset sales	2	3	-1	-25%
Depreciations	-244	-220	-24	11%
<b>EBIT BEFORE SI</b>	<b>271</b>	<b>201</b>	<b>70</b>	<b>35%</b>
margin, %	8.1	6.0	2.0	n.a.
Special Items	-6	-21	15	n.a.
EBIT	265	180	85	47%
Finance	-3	-23	20	n.a.
<b>PBT BEFORE SI</b>	<b>268</b>	<b>178</b>	<b>89</b>	<b>50%</b>
<b>PBT</b>	<b>262</b>	<b>157</b>	<b>105</b>	<b>67%</b>
EMPLOYEES avg., no.	7,065	6,616	449	7%
INVESTED CAPITAL	9,205	8,363	842	10%
<b>ROIC LTM ex. SI, %</b>	<b>17.8</b>	<b>13.7</b>	<b>4.1</b>	<b>n.a.</b>
NIBD	2,424	1,773	651	37%
<b>NIBD/EBITDA, times</b>	<b>0.9</b>	<b>0.9</b>	<b>0.0</b>	<b>n.a.</b>
SOLVENCY, %	51	52	-1	n.a.

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

# Full-year 2016 in numbers

- **Revenue growth of 8%** excluding revenue from bunker surcharges and adjusted for currency changes. Reported revenue up by 2%
- EBITDA includes a negative impact of DKK 65m from currency changes, mainly GBP
- All Shipping business units improved performance
- 75% of the Division's EBIT increase of DKK 433m was driven by Channel with DKK 196m and Baltic Sea with DKK 132m
- Channel was boosted by capacity expansion, market share growth and price increases
- Baltic Sea was boosted by border conflict, more efficient operations as well as volume and price growth
- **Logistics Division's** EBIT for 2016 increased by DKK 18m compared to 2015. Margin increased to 3.3%

DKKm	2016	2015	Change	Change %
REVENUE	13,790	13,474	317	2%
<b>EBITDA BEFORE SI</b>	<b>2,588</b>	<b>2,041</b>	<b>547</b>	<b>27%</b>
margin, %	18.8	15.1	3.6	n.a.
P/L associates	-3	-12	9	-75%
Sale of assets	9	5	4	70%
Depreciations	-950	-835	-115	14%
<b>EBIT BEFORE SI</b>	<b>1,644</b>	<b>1,199</b>	<b>445</b>	<b>37%</b>
margin, %	11.9	8.9	3.0	n.a.
Special Items	-13	-36	23	-64%
EBIT	1,631	1,164	467	40%
Finance	-43	-121	78	-64%
<b>PBT BEFORE SI</b>	<b>1,600</b>	<b>1,078</b>	<b>522</b>	<b>48%</b>
<b>PBT</b>	<b>1,588</b>	<b>1,043</b>	<b>545</b>	<b>52%</b>
Tax	-39	-32	-7	23%
NET PROFIT	1,548	1,011	538	53%
EMPLOYEES avg., no.	7,065	6,616	449	7%
<b>FREE CASH FLOW</b>	<b>1,455</b>	<b>1,637</b>	<b>-182</b>	<b>-11%</b>
<b>ROIC ex. SI, %</b>	<b>17.8</b>	<b>13.7</b>	<b>4.1</b>	<b>n.a.</b>
<b>NIBD/EBITDA, times</b>	<b>0.9</b>	<b>0.9</b>	<b>0.0</b>	<b>0%</b>
SOLVENCY, %	51	52	-1.0	n.a.

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

# 2017: major performance drivers for DFDS

Certain/Likely	Expected	Uncertain	Macro drivers
<ul style="list-style-type: none"> <li>Capacity expansion on selected routes</li> <li>Deployment of two ro-ro new buildings on Vlaardingen-Immingham</li> <li>Full-year impact of revenue and earnings from acquisitions and new logistics contracts</li> <li>Significantly increased IT and digital spending</li> </ul>	<ul style="list-style-type: none"> <li>Some freight shipping volume growth</li> <li>Some growth in prices</li> <li>Bunker cost increase in Passenger</li> </ul>	<ul style="list-style-type: none"> <li>Passenger volume growth</li> <li>Changes in competitive landscape</li> <li>MGO/HFO spread</li> </ul>	<ul style="list-style-type: none"> <li>Impact of Brexit process on UK economy and trading volumes</li> <li>Continued moderate growth in most EU economies</li> <li>Weak Norwegian economy</li> <li>Russian trade sanctions expected to stay</li> <li>Changes in oil price and exchange rates</li> </ul>

# EBITDA outlook for 2017 is DKK 2.6-2.8bn

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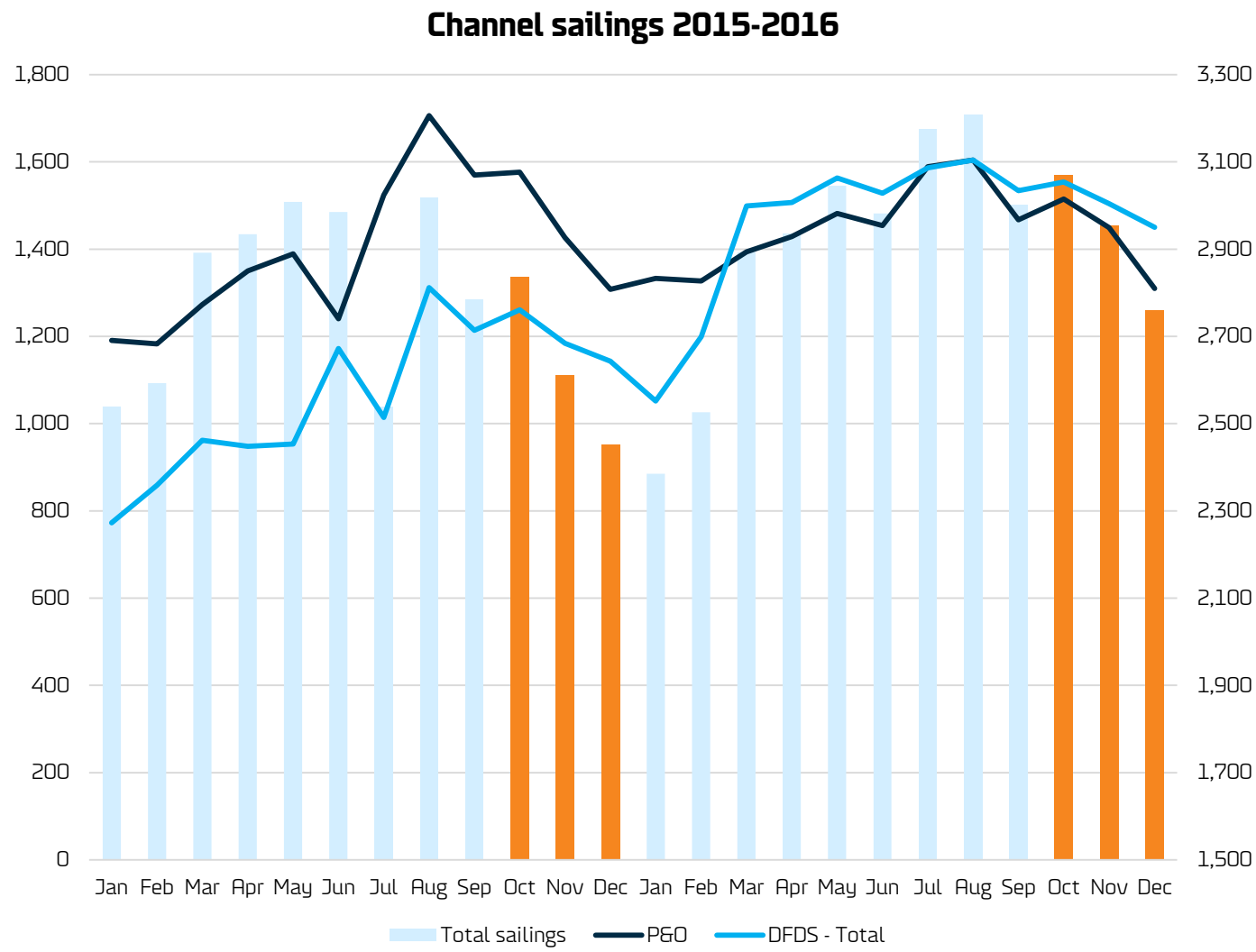
- **Moderate growth** in Europe expected to continue in 2017
- Adjusted revenue growth of 4% includes growth driven by full-year impact of new activities of around 1.5%
- EBITDA range reflects moderate outlook for European economic growth
- Outlook for **investments** of DKK 1.7bn includes expected payment of around DKK 750m for two Channel-ferries

## OUTLOOK 2017

- Revenue growth of around 4%, excluding revenue from bunker surcharges
- EBITDA expected to increase to DKK 2.6-2.8m
  - Shipping Division: DKK 2,450-2,600m
  - Logistics Division: DKK 250-300m
  - Non-allocated items: DKK -100m
- Investments of DKK 1.7bn

# Total ferry sailings on Channel up 11% in Q4 vs LY

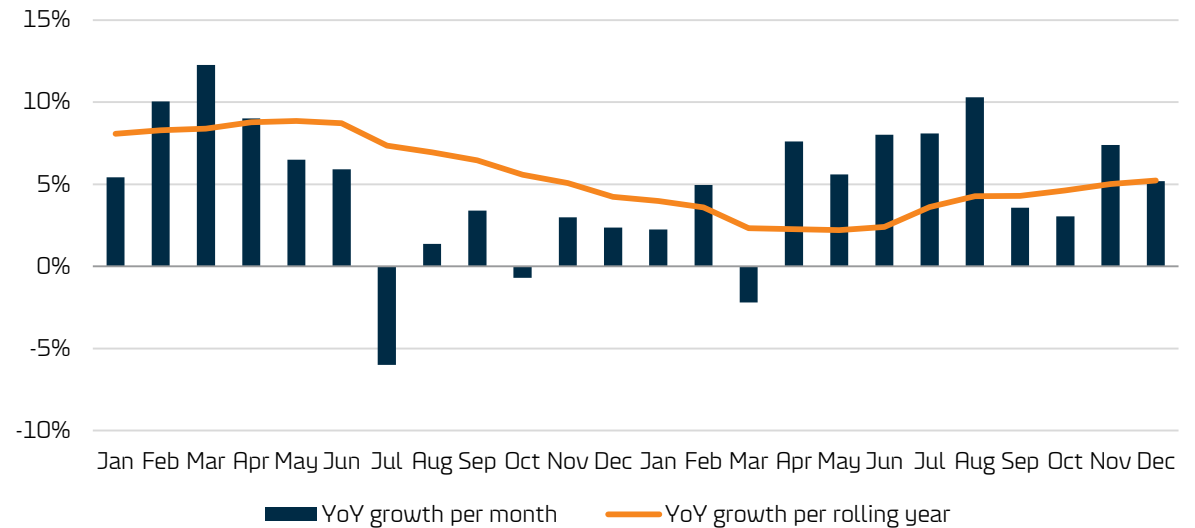
- In Q4 2016, the total number of sailings was 11% above 2015
- DFDS has increased sailings by 26% while P&O has decreased sailings by 1%, together substituting MFL's sailings
- DFDS had 5% more sailings than P&O in Q4 2016



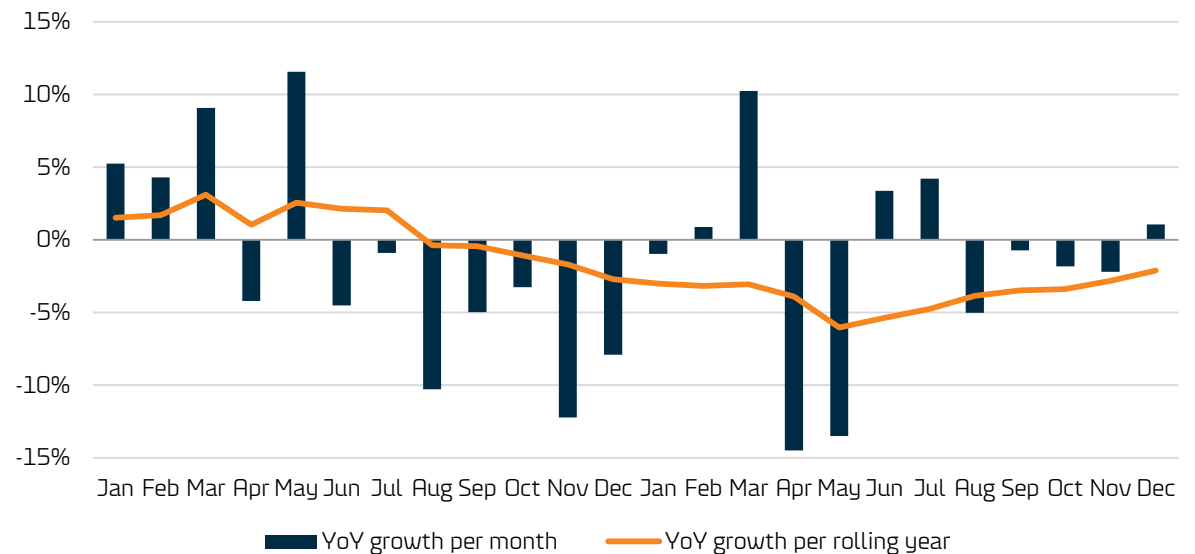
# Continued freight growth, improved trend in car market

- **Freight** market volumes were up by 5.2% in Q4 2016
- The YOY growth per rolling full-year was in Dec at 5.2%
- **Car** market volumes were down by 0.8% in Q4 2016
- The YOY growth per rolling full-year was in Dec at -2.1%, an improvement from -3.5% in Sept

Channel **freight** volume growth YOY, 2015-2016



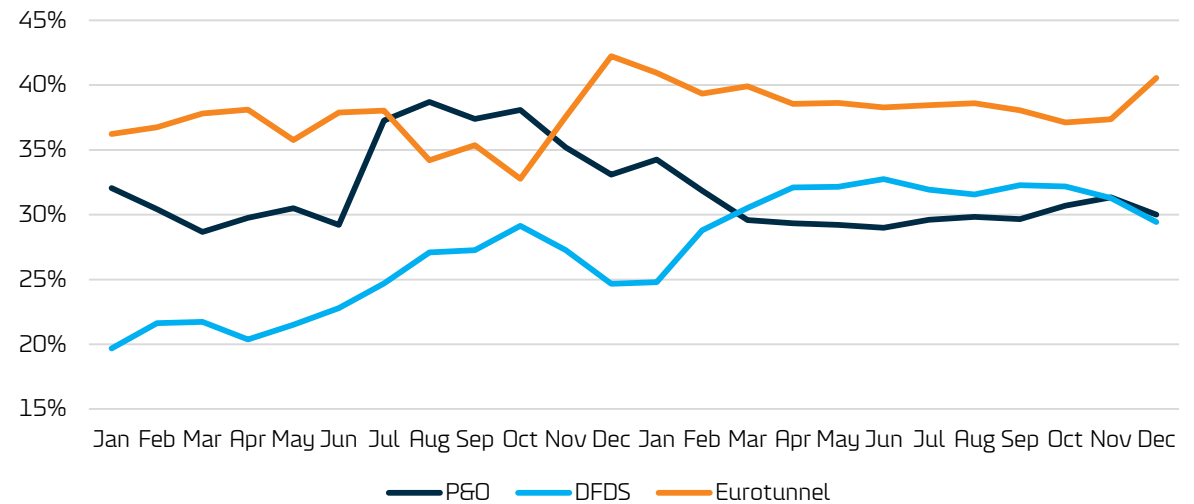
Channel **car** volume growth YOY, 2015-2016



# Channel market share development

- DFDS' freight market share in Q4 2016 increased vs Q4 15 driven by increased capacity from February/March 2016

Channel **freight** market shares, 2015-2016



Channel **car** market shares, 2015-2016

