

DFDS RAISES 2015 OUTLOOK

Q1 2015

21 May 2015

Copenhagen





CONTENTS

- Overview
- Q1 2015
- Outlook 2015
- MGO transition
- Channel judgment
- Capital structure and distribution
- Strategy, goals and priorities

The statements about the future in this announcement contain an element of risk and uncertainty, both in general and specific terms, and this means that actual developments may diverge considerably from the statements about the future.

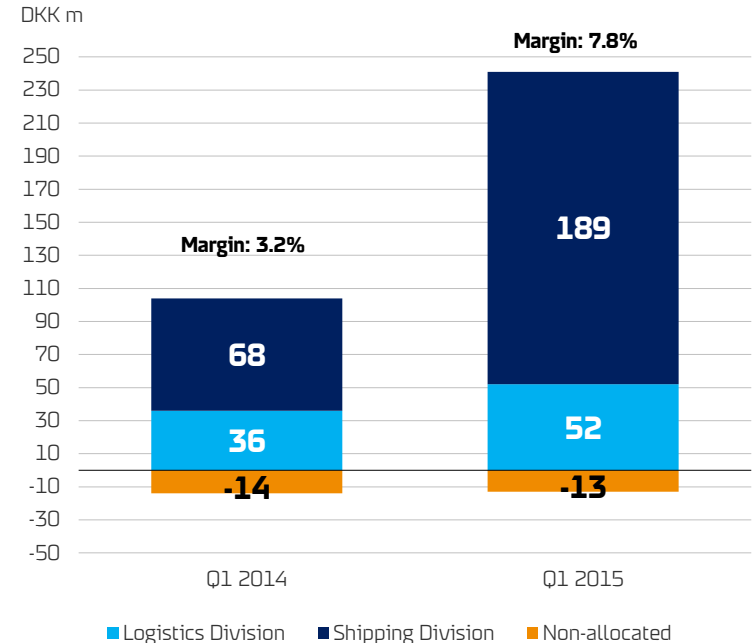
OUTLOOK RAISED FOLLOWING STRONG QUARTER AND GROWTH ABOVE EXPECTATIONS

- Operating profit (EBITDA) up by 150% from DKK 91m to DKK 228m
- Profit improved by **volume growth** and **efficiency gains**
- Shipping revenue up by 6% adjusted for route closures in 2014
- Scrubber investments contributed to a **smooth transition** to new environment-friendly emission rules
- ROIC LTM* before special items increased to 9.0% (FY 2014: 8.0%)
- **EBITDA outlook for 2015 raised to DKK 1.65-1.75bn (DKK 1.55-1.65bn)**

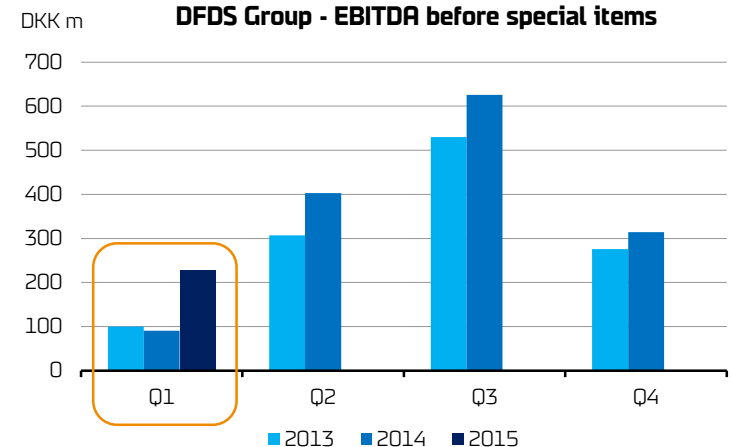
Q1 2015 – EBITDA UP BY DKK 137M OR 150%

- **Optimisation of route network:** positive impact of around DKK 30m from closure of three routes with Q1 losses in 2014
- **Channel:** result benefited from cost savings related to one-ship operation on Dover-Calais and higher capacity utilization on Dover-Dunkirk driven by 9% freight and 8% passenger market growth respectively
- **Passenger:** result boosted by additional departures and higher unit revenues
- **Logistics:** result improved by volume growth, efficiency gains and positive impact from acquisitions

EBITDA before special items, Q1 2015



DFDS Group - EBITDA before special items



Q1 2015 IN NUMBERS

- Revenue up by 3%, and up by 4% adjusted for route closures and acquisitions
- Shipping Division's revenue up by 6%, adjusted for route closures, through volume growth of 2.5% (freight) and 9.4% (pax)
- Logistics Division's revenue flat adjusted for acquisitions as organic growth offset by balance issues and lower fuel surcharges
- P/L associates: Variance of DKK -10m due to one-off income in 2014
- ROIC before special items of 9.0% (8.0%)
- NIBD/EBITDA of 1.7 as increase in NIBD to 2.7bn was neutralized by higher EBITDA

DKK m ¹	Q1 15	Q1 14	Change vs LY
REVENUE	2,926	2,848	78
EBITDA BEFORE SI	228	91	137
margin, %	7.8	3.2	4.6
P/L associates	-3	7	-10
Gain/loss asset sales	0	0	0
Depreciations	-198	-177	-21
EBIT BEFORE SI	27	-78	106
margin, %	0.9	-2.8	3.7
Special Items	-2	-8	6
EBIT	25	-86	111
Finance	-41	-31	-9
PTP BEFORE SI	-13	-110	97
PTP	-16	-118	102
EMPLOYEES avg., no.	6,322	6,017	305
INVESTED CAPITAL	8,674	8,378	296
ROIC ex. SI, % (LTM)	9.0	8.0	1.0
NIBD	2,694	2,330	364
NIBD/EBITDA, times	1.7	1.9	-0.2
SOLVENCY, %	49	49	0.0

SI: Special items. PTP: Pre-tax profit. NIBD: Net interest-bearing debt.

1: Roundings may cause variances in sums

OUTLOOK 2015 RAISED TO DKK 1.65-1.75BN

- Q1 EBITDA above expectations
- Raise in outlook supported by growth of varying strength in northern European markets
- Demand from Russia was weak in Q1 and expected to stay weak in 2015
- Customer focus and continuous improvement projects continue to contribute to increase in results

NEW OUTLOOK 2015

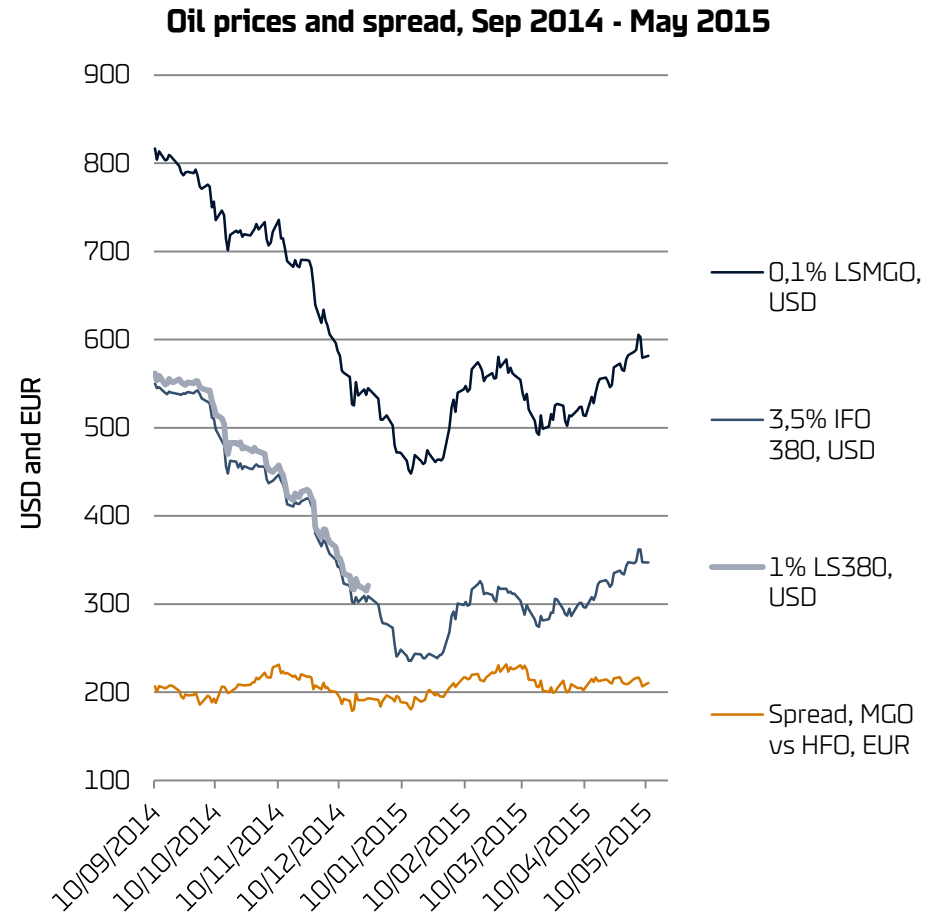
- Revenue up by around 3%, and up by around 5% adjusted for route closures and acquisitions, **unchanged**
- EBITDA of DKK 1.65-1.75bn [DKK 1.55-1.65bn]
- Investments of DKK 650m, **unchanged**

2015: UPDATE ON MAJOR PERFORMANCE DRIVERS

Likely	Expected	Uncertain	Macro drivers
<ul style="list-style-type: none">Positive impact from closed routes as expectedProcurement efficiencies & impact from other projects as expectedPositive impact from Logistics acquisitions as expected	<ul style="list-style-type: none">Resolution of structural overcapacity in Channel uncertainVolume growth, freight and passengers above outlookBunker cost savings as expected	<ul style="list-style-type: none">Level of competitive pressure no change	<ul style="list-style-type: none">Russian market demandChanges in oil price and exchange ratesNorwegian market demand‘Grexit’

SMOOTH TRANSITION TO NEW EMISSION RULES

- Price spread between MGO and HFO intact at around USD 225
- Benefits from scrubbers, savings on passenger routes and positive volume effects
- Demand for freight shipping services holding up well on routes at risk for modal backshift
- Conversion of "old" BAF to seafreight price per 1 January 2015
- Consumption savings vs LY mainly derived from Channel and Baltic Sea, adjusted for route closures



CHANNEL: JUDGMENT ON APPEAL CREATES NEW SITUATION

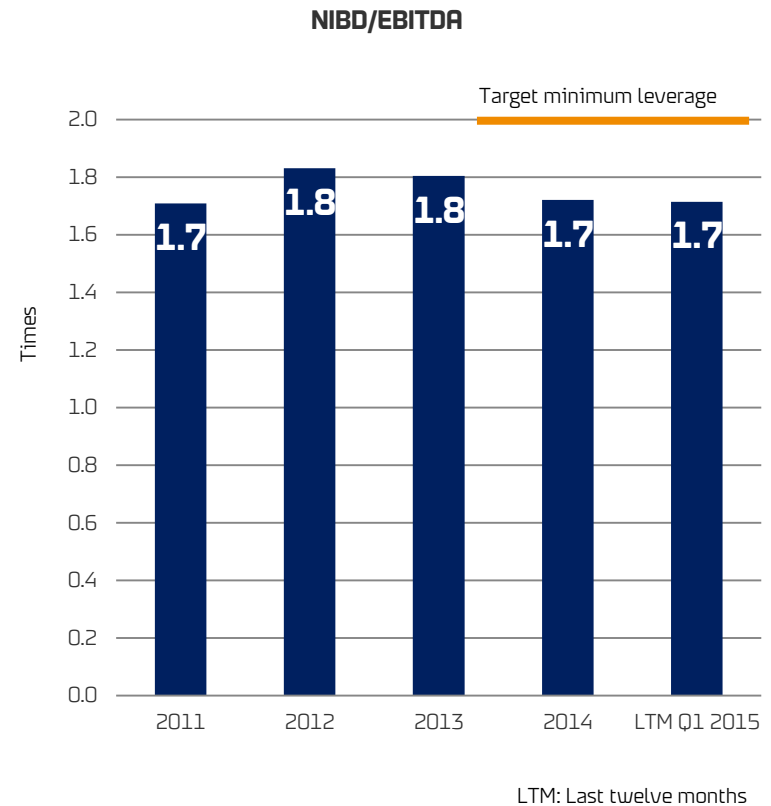
- Court of Appeal allowed SCOP's appeal in 2:1 judgment
- Judgment runs counter to decisions taken by competition authorities since 2012
- CMA is seeking permission to appeal
- Supreme Court appeal process duration of 1-2 years
- Decision on permission to appeal to Supreme Court estimated to be announced in Q4 2015
- No announcement from Eurotunnel on consequences of ruling on MFL sales process



CHANNEL, DKK m	FY 13	FY 14	Δ	Q1 14	Q1 15	Δ
EBIT before special items	-100	-40	60	-66	-15	51

CAPITAL STRUCTURE AND DISTRIBUTION

- The NIBD/EBITDA multiple was 1.7 at the end of Q1
- NIBD was DKK 2.7bn at the end of Q1 2015, up from DKK 2.5bn at year-end 2014. Impact on NIBD/EBITDA neutralized by higher EBITDA
- Launch of new buy-back programme in April of DKK 300m expected to increase leverage in 2015 towards the minimum target of 2.0
- Leverage may also be increased by acquisitions and purchase of ships in addition to the investments included in 2015 guidance
- 7.7% of the new DKK 300m buy-back programme was completed in week 20



STRATEGY, GOALS AND PRIORITIES

Priorities 2015

1. Customer focus
2. Efficiency and improvement projects
3. MGO transition
4. Employee satisfaction/development
5. Market coverage

DFDS' strategy drivers:

- The DFDS Way: Customer focus and continuous improvement
- Network strength: Expand to leverage operating model
- Integrated shipping and logistics operations: Utilisation of tonnage
- Financial strength and performance: Reliable partner
- ROIC target of 10%

Customer driven

Continuous improvement

Best practice

Leveraging scale

Performance culture

Q1 2015

Q&A

21 May 2015