

Financial calendar 2019

Annual General Meeting

26 March 2019 at 14.00
Radisson Blu Scandinavia Hotel Copenhagen,
Amager Boulevard 70
2300 Copenhagen South
Denmark

Reporting 2019

9 May
Q1 report 2019

13 August
Q2 report 2019

12 November
Q3 report 2019


We m^{ove}ve
for all
to grow

DFDS A/S

Sundkrogsgade 11
DK-2100 Copenhagen Ø

Tel. +45 3342 3342

www.dfds.com

CVR 14 19 47 11

Addresses of DFDS' subsidiaries, locations
and offices are available from www.dfds.com

Our purpose

By moving freight and passengers reliably and efficiently, we provide vital services for trade and travel in and around Europe.



We move for all to grow



We care – about the safety of our passengers and employees and about our environmental footprint.

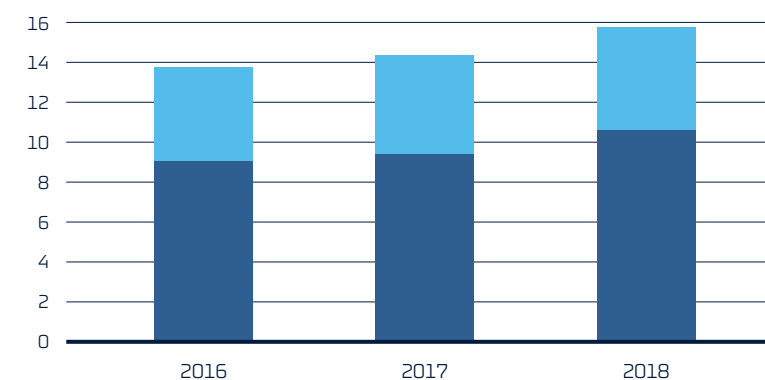


We seek to partner and innovate with customers to grow their business and the economy.

Key results 2018

Revenue per division

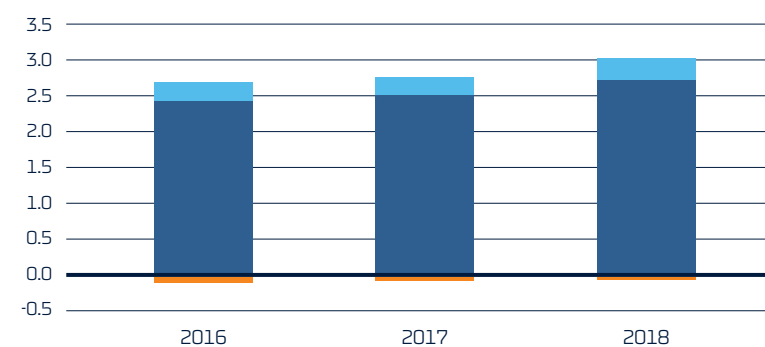
DKK bn



Revenue up **10%** to DKK 15.7bn

EBITDA per division before special items¹

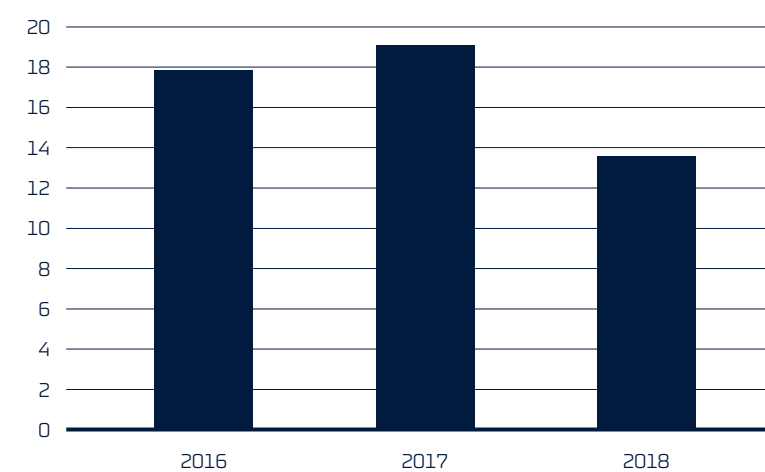
DKK bn



EBITDA¹ up **11%** to DKK 3.0bn

Return on invested capital (ROIC)¹

%



Return on invested capital¹ after tax of **13.5%**

- Logistics Division
- Ferry Division
- Non-allocated items
- DFDS Group

¹ Before special items



An expanding company

At the heart of DFDS' purpose and strategy lies an ambition to grow and create value for all stakeholders and in 2018 a door opened for expanding into the Mediterranean with the acquisition of Turkey's largest freight ferry company, U. N. Ro-Ro.

The operation of freight ferry routes enabling trade between Europe and Turkey is now a new key business area for DFDS. Trading between Europe and Turkey has grown vigorously in recent decades and we expect this will continue in the future – greatly assisted by our routes and people.

To allow our freight customers to grow their business, we have in recent years laid the foundation for expanding the ferry network capacity by ordering eight new-buildings. Three new-buildings will be deployed in 2019, two of them between Europe and Turkey. We are also investing in expanding our digital capabilities to enhance the ease of doing business with DFDS for our customers, and to increase operational efficiency.

CSR is another area where progress was made in 2018. A new CSR strategy and organisation have been formed dedicated to reducing our environmental footprint and being a caring employer.

We retained DFDS' financial flexibility by making a successful share issue in connection with the acquisition of U. N. Ro-Ro. This allows the company to continue its growth, should further opportunities arise. In the Board of Directors, we continuously assess the capital structure to balance distribution with value creating investments. Our commitment to return excess capital to shareholders is clear.

The Board of Directors therefore proposes to the Annual General Meeting to resume the dividend in line with the growth expected for 2019.

At the Annual General Meeting, Jørgen Jensen, who joined the Board in 2015, will step down. I would like to extend our great appreciation for the contribution Jørgen Jensen has made in the Board during the last four years. The Board of Directors intends to propose the election of a new Board member at the Annual General Meeting in March.

2019 is set to be another exciting and busy year for DFDS and on behalf of the Board, I would like to thank DFDS' shareholders for your continued support and to thank DFDS' management and everyone in the organisation for your efforts in a year that saw strategic expansion and a new all-time high result.

Claus V. Hemmingsen
Chair of DFDS

Growth set to continue in 2019

A new all-time high result was achieved in 2018 and growth in both revenue and earnings is set to continue in 2019 on the back of our recent expansion in the Mediterranean driven by the transformational acquisition of U. N. Ro-Ro.

This has strengthened our ferry business as the greater geographical coverage of the route network offers more services to customers and the larger scale offers operational advantages.

Our logistics business was also strengthened by an acquisition at the beginning of the year and delivered a strong result as the EBITDA grew by 25% in 2018.

We are, moreover, growing our customer base organically. The three largest additions in 2018 to our customer portfolio was Ekol Logistics, Turkey's largest logistics provider, Norske Skog, Norwegian paper manufacturer, and Birds Eye, UK producer of frozen foods. These customer wins reflect both our growing market coverage and our ability to provide solutions for diverse sectors such as freight forwarding and logistics, manufacturers of heavy industrial goods and food producers requiring cold chain logistics.

The return on invested capital was lowered to 14% in 2018 by the acquisition of U. N. Ro-Ro. Operating profit (EBITDA), on the other hand, increased 11% to DKK 3.0bn from DKK 2.7bn in 2017.

Asset investments are expected to peak in 2019 with DKK 2.5bn of which the majority will be used for increasing the route network's capacity and efficiency through the delivery of three freight new buildings. Further new buildings are planned for delivery in 2020 and 2021. We are also investing in expansion of port terminals and development of digital capabilities to enhance the customer experience and gain operational efficiencies.

An important milestone in 2019 will be the full integration of U. N. Ro-Ro, including the operational optimisation of the addition of considerable new volumes from Ekol Logistics. 2019 will hopefully also bring clarity to Brexit which should improve the market environment. Our pursuit of shareholder value creation, innovation of customer services, reduction of our environmental footprint and being a caring employer will all continue in 2019.

Niels Smedegaard
President and CEO



Ferry Division

Head of division

Peder Gellert Pedersen

Share of DFDS Group revenue 2018

68%

Business areas

- North Sea
- Baltic Sea
- Channel
- Mediterranean
- Passenger

Revenue up 12%,
to DKK 11.1bn

EBIT up 5% to DKK 1.8bn

ROIC of 14%

- Route network significantly expanded in Mediterranean
- Market growth in northern Europe slowed through the year as visibility on Brexit decreased

Ferry Division's revenue increased 12% to DKK 11,117m compared to 2017. Most of the increase was driven by the acquisition of U.N. Ro-Ro that was completed on 7 June 2018. EBIT before special items increased 5% to DKK 1,809m and after special items EBIT increased 6%.

The return on invested capital, ROIC, before special items decreased to 14.1% in 2018 from 20.7% in 2017 due to the acquisition of U.N. Ro-Ro. Average invested capital increased 53% to DKK 12,648m compared to 2017.

North Sea

Revenue increased 1% to DKK 3,734m compared to 2017 and EBIT before special items decreased 3% to DKK 651m. Both revenue and EBIT were negatively impacted by the depreciation of SEK in 2018.

Freight volumes increased 1% adjusted for the closure of Rosyth- Zeebrugge in April 2018. Growth was positive in the first half-year but slowed during the second half-year as visibility on Brexit declined and trading between UK and the rest of Europe slowed.

In Esbjerg, the route was moved to another port terminal at the beginning of the year. Planning and investments in higher port terminal capacity in Belgium, Netherlands and UK continued through the year.

Baltic Sea

Revenue increased 3% to DKK 1,509m compared to 2017 mainly due to an increase in bunker surcharges while EBIT before special items decreased 5% to DKK 361m.

Freight volumes were on level with 2017. Trading was overall stable in the Baltic region during the year, although some loss of volume was incurred in the Estonian corridors due to increasing competition. This was offset by volume growth on the routes in the southern part of the Baltic Sea.

Passenger volumes increased by 9% driven by a positive contribution from all routes.

5,300
employees

55
ferries

30,375
sailings

Channel

Revenue increased 4% to DKK 2,803m compared to 2017 and EBIT before special items increased 12% to DKK 397m.

Freight volumes decreased 0.7% and by 0.3% adjusted for Newhaven-Dieppe while passenger volumes were up 1.2% compared to 2017. Volumes in the total Dover Strait freight market decreased 1.2% in 2018 and DFDS’ market share was thus increased in the year, particularly in the first half-year. During the second half-year the increase in bunker surcharges resulted in some loss of market share for the ferry routes compared to the tunnel.

The growth in passenger volumes was in line with the overall market. Passenger yields improved through the year, and especially in the high season, as a result of more effective pricing models.

Mediterranean

In 2017, the Mediterranean business unit included only the freight ferry route between Marseille and Tunis. Revenue increased to DKK 1,124m from DKK 103m in 2017 following the acquisition of U. N. Ro-Ro with effect from 7 June 2018. EBIT before special items increased to DKK 180m from DKK 9m in 2017, likewise due to the acquisition.

The development in trading between Turkey and Europe was negatively impacted by the extraordinary depreciation of TRY at the beginning of August as this led to a slowdown in the Turkish economy for the rest of the year.

Towards the end of 2018, the customer agreement with Ekol Logistics, a leading Turkish logistics provider, was significantly expanded. A new route between Turkey and Italy was thus opened at the very end of 2018 to accommodate the extra volumes.

2019 will thus be positively impacted by the full-year impact of the acquisition of U. N. Ro-Ro and the new, expanded customer agreement.

Passenger

Revenue increased 3% to DKK 1,728m compared to 2017 while EBIT before special items decreased 37% to DKK 116m.

Passenger volumes increased 1.8% driven by growth on Amsterdam-Newcastle as activity on all three main markets — UK, Netherlands and Germany — were higher. In Scandinavia, the Norwegian market decreased in the year.

The result was negatively impacted by an increase in the bunker cost of 32%, most of which was not recovered through higher pricing. In addition, the operating cost of the ferries increased due to upgrades and maintenance.

Non-allocated items

Non-allocated items primarily include activities related to external chartering of ships not deployed in the route network.

Revenue increased 1% to DKK 481m compared to 2017 while EBIT before special items decreased 21% to DKK 105m as 2017 was positively impacted by a one-off income from a settlement with a former bunker supplier’s bankruptcy estate. In addition, there was less charter activity related to the ARK-project.

Ferry Division

DKK m	2018	2017	Δ	Δ%
Revenue	11,117	9,892	1,225	12.4%
EBITDA before special items	2,713	2,513	200	8.0%
Share of profit/loss of associates and joint ventures	2	6	-4	-71.4%
Profit/loss on disposal of non-current assets, net	1	1	1	127.1%
Depreciation and impairment	-907	-792	-115	14.5%
EBIT before special items	1,809	1,727	82	4.7%
EBIT-margin before special items, %	16.3	17.5	-1.2	n.a.
Special items, net	17	-7	24	n.a.
EBIT	1,826	1,720	106	6.2%
Invested capital, average	12,648	8,264	4,384	53.1%
ROIC before special items, %	14.1	20.7	-6.6	n.a.
Lane metres, ‘000	40,077	38,418	1,659	4.3%
Passengers, ‘000	5,439	5,349	90	1.7%

DFDS takes delivery of its largest freight ferry ever

DFDS is preparing for future growth with the construction of six new mega ferries in China. The first one was delivered on 31 January 2019 and will be deployed between Turkey and Italy during March.

Following a successful sea trial, the first of six new mega freight ferries being built at the Chinese shipyard Jinling has been delivered to DFDS. From China it sailed to Singapore to pick up supplies and spare parts and then on to Istanbul where it will be deployed to accommodate an increasing demand for volume capacity from logistics companies transporting goods between Turkey and Europe.

With a load capacity of 6,700 lane metres, it can accommodate 450 trailers per sailing. It has a length of 237 metres and will be almost twice as large as the current freight ferries that carry a maximum of 250 trailers. The new freight ferries are equipped with a unique ramp system with three independent stern ramps and internal ramps on each side that together enable a quick and efficient port turnaround time of less than six hours.

Due to the large capacity, the six freight ferries’ energy consumption per trailer transported will be significantly decreased. The ferries will all be equipped with scrubbers to reduce sulphur oxide and to be prepared for the global sulphur limit regulation which takes effect from January 2020.

“By offering our customers greater efficiency and more capacity, the new freight ferries will help our customers grow their businesses and ensure that DFDS is prepared for growth in our route network in both northern Europe and the Mediterranean,” says Peder Gellert, EVP, Head of Ferry Division.



Freight ferry specifications

Lane metres:	6,700
Trailer capacity:	450
Length, metres:	237
Speed, knots:	21.0
Passengers:	12

Head of division
Eddie Green

Share of DFDS Group revenue 2018
32%

Business areas
– Nordic
– Continent
– UK & Ireland

Revenue up 3%
to DKK 5.3bn

EBIT up 23% to
DKK 204m

ROIC of 14%

1,900
employees

9,000
trailer and
container units

567,000
freight units
delivered

Logistics Division

- Strong result for Nordic
- Growth of cold chain logistics in UK & Ireland
- Continent stable but impact from rising carrier costs

Logistics Division's full-year revenue increased 3% to DKK 5,324m and EBIT before special items increased 23% to DKK 204m and after special items EBIT increased 26%.

The return on invested capital, ROIC, before special items increased to 14.2% in 2018 from 13.1% in 2017. Average invested capital increased 7% to DKK 1,204m.

Nordic

Revenue decreased 2% to DKK 1,866m compared to 2017 while EBIT before special items increased 43% to DKK 88m.

Market growth was positive for most activities in the first half-year while activity slowed through the second half-year as visibility on Brexit declined. The result was improved by a high level of activity for special-ised transportation, improved efficiency in contract logistics and volume growth for the Norwegian shipping logistics. The performance of door-door solutions was held back by a lag in the recovery of rising carrier costs. There was a positive impact from the closure of loss-making Italian rail activities in April 2018.

Continent

Revenue increased 21% to DKK 2,458m compared to 2017 and EBIT before special items increased 3% to DKK 67m.

Revenue and EBIT was increased by the acquisition of Special Cargo with effect from 3 January 2018. In Netherlands, the forwarding activities in the UK corridor continued to focus on high-margin solutions for valuable goods and the container activity to Ireland increased volumes. The activities in the Czech Republic continued to grow in 2018.

This was, however, offset by a considerable reduction in the result for Belgium that was negatively impacted by imbalances that were partly related to the cessation of a large logistics contracts in Q2 and the start-up of a new large contract beginning Q4. Lags in the recovery of

rising carrier costs also reduced the result. Germany’s margin was likewise negatively impacted by rising carrier costs. There was a positive impact from the closure of activities in Italy in April 2018.

UK & Ireland

Revenue decreased 17% to DKK 1,154m compared to 2017 due to the divestment of the Belfast reefer activity in Q4 2017. EBIT before special items increased 23% to DKK 49m, including a positive impact from the divestment as the activity was lossmaking in 2017.

Performance improved for most activities in UK and Ireland during the year. The refocusing of the continuing activities in Belfast on the retail and ambient sectors performed in line with expectations. The growing cold chain business in England expanded activity with existing customers, turned contracts that were not performing well around and at the end of the year a substantial new contract was initiated for Birds Eye, a UK producer of frozen foods. The aquaculture activities in Grimsby improved results with further improvements expected in 2019 and in Scotland results remained stable, although salmon volumes were slightly below 2017.

Non-allocated items

Revenue of non-allocated items is mainly related to an internal trailer equipment pool.

Logistics Division

DKK m	2018	2017	Δ	Δ%
Revenue	5,324	5,160	164	3.2%
EBITDA before special items	330	263	67	25.4%
Profit/loss on disposal of non-current assets, net	5	5	0	5.6%
Depreciation and impairment	-132	-102	-30	29.5%
EBIT before special items	204	166	38	22.8%
EBIT-margin before special items, %	3.8	3.2	0.6	n.a.
Special items, net	-11	-13	2	n.a.
EBIT	193	153	40	25.9%
Invested capital, average	1,204	1,128	76	6.7%
ROIC before special items, %	14.2	13.1	1.1	n.a.
Tons, ‘000	417.3	400.4	17.0	4.2%
Units, ‘000	567.0	548.5	18.5	3.4%

Our strategy

Continuous improvement of customer services and operational efficiency are key drivers of sustainable, profitable growth for DFDS.

We pursue shareholder value by leveraging our strong network through **acquisitions**.

Ferry & Logistics

Digital capabilities are moving to the centre of our strategy, and we are increasingly engaging with new business models and technologies.

CSR summary

The full CSR Report for 2018 is available from this link: www.dfdsgroup.com/about/responsibility/

- New CSR strategy developed in view of increasing need to take care of the environment and contribute to local communities
- Environmental Footprint and Caring Employer are key strategic themes

Fulfilment of our purpose and strategy depends on the support of our employees and the communities in which we are active. A new CSR strategy is launched with the aim of embedding it in our way of thinking so it can strongly influence the way we act throughout DFDS.

The CSR Strategy details areas of special opportunities and therefore special responsibilities to make a difference for our staff, the environment and the communities we are able to influence. Actions include reducing our impact on the climate and marine environment, caring for people, being good neighbours and giving something back to business and local communities. The CSR strategy is therefore a key enabler for developing our business sustainably.

Our ambitions are high knowing that the ideal state keeps evolving and may be a long way off. A new CSR team has been created and the management structure strengthened to ensure implementation of the strategy and achievement of our goal to take steps every day and every year on the journey toward sustainability.

The CSR report reflects our commitment to move for all to grow and to the principles of the UN Global Compact and the UN Sustainable Development Goals. At DFDS, we recognise that our role as a supplier of vital services to Europe’s transport infrastructure entails a high level of responsibility.



Environmental Footprint

Ambition

- Support marine environment
- Responsible neighbour
- Improve air quality

UN Sustainable Development Goals



We care for our environment and our strategic theme, Environmental Footprint, supports three of the 17 UN Sustainable Development Goals (SDGs). Our work independently and with partners focusing on SDG 13, 14 and 17 will address our impact on the climate and life under water. In view of the SDGs and our business strategy, we seek to:

Support the marine environment

Operating ferries across Europe, it is natural for us to support ocean life, reduce emissions into the sea and support research and education focusing on the marine environment.

Be a responsible neighbour

Seeking to be good neighbours and reduce pollution, waste, noise and light in the communities in which we operate terminals, warehouses and offices is essential. We contribute to a cleaner environment by implementing greener alternatives.

Improve air quality

Reducing emissions of CO₂ from our fleet of ferries and trucks by operating in a more environmentally friendly and efficient way is a necessity, as is the reduction of emissions of NO_x, sulphur and other particles. We support and promote knowledge and products that can help improve air quality.



Caring Employer

Ambition

- Well-being for all employees
- Inclusive workplace
- Opportunities to do good

UN Sustainable Development Goals



We care for our environment and our strategic theme, Caring Employer, supports SDG 3 and SDG 5. We believe we can create a better future for DFDS and our employees by improving health, well-being and gender equality. In view of the SDGs and our business strategy, we seek to:

Ensure well-being for all employees

We see our employees as valued people and not only employees. Thus, we support their physical and mental health – i.e. their overall well-being. We want our employees to be happy when they go to work and when they go home.

Be an inclusive workplace

Employing a multicultural workforce, we seek inclusivity encompassing differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking styles, experience and education. We believe diverse groups and teams make better decisions.

Provide opportunities to do good

We cherish the idea of engaging the company, individuals and groups of colleagues at DFDS to take initiatives to do good and to care about each other in the local communities where we operate.



DFDS Direct – freight booking in a few clicks

DFDS is building a platform where existing and potential freight customers can get a quote or book a transport consignment in just a few clicks.



Andrias Justinussen is heading a brand new start-up company within DFDS: A virtual freight forwarding business model for full-load solutions is expected to go live in Q2 2019.

Very soon customers will experience another level of transparency and a much quicker and simpler way of booking via our new online platform DFDS Direct, which they can use any time of day or night via their smart-phone or computer. In just a few clicks, they get direct access to book transport across DFDS' entire logistics network.

“With DFDS Direct, we want to make sure that our customers will get instant pricing, instant booking online and the same reliability that they know today from DFDS. We have designed a booking system that is easily scalable across our entire network, which means that all prices and availability are transparent for our customers at all times,” says Eddie Green, EVP of Logistics.

“Our research for this tool is based on surveys and interviews with customers, to make sure we meet their needs and demands. It is essential that our customers get a reply straight away, which has unfortunately not been possible up until now. Some of our customers have already tested a prototype of the tool, and they find it very intuitive and easy to use. We are really looking forward to launching this tool in just a few weeks,” says Andrias Justinussen, Product Manager for DFDS Direct.

No need for contracts

“For many potential or smaller customers, it has been complicated to get a quote from DFDS, because they would need a contract and have to deliver a lot of details for customer service to calculate a price for all transport. With the new system, customers don't need to establish a relationship with DFDS to make a booking, and that makes it smoother and quicker,” says Eddie Green. “We are convinced that the logistics business will be transformed during the coming years. We need to move now for us to provide the best possible and contemporary service for our freight customers.”

A start-up in a mature company

Digitisation is one of the core elements of DFDS' strategy, and we aim to bring even more digital capabilities, know-how and business models into the business. Since 2015 DFDS has invested in building digital expertise, and now we have taken a further step into a digital future with DFDS Direct, which is the product of a start-up company within DFDS. “DFDS Direct is intended to make it much easier to do business with DFDS, and we are confident that the increased efficiency will benefit our customers as well as DFDS,” says Andrias Justinussen.

DFDS Direct will be launched for one corridor during spring 2019 and will be further developed to service the entire network with a variety of different transport possibilities.

The DFDS share and shareholders

Distribution to share-holders suspended from April 2018 due to acquisition of U. N. Ro-Ro

Dividend proposed resumed in 2019

Share capital

DFDS has one class of shares. The share capital at the end of 2018 was DKK 1,173m comprising 58,631,578 shares, each with a nominal value of DKK 20.

Two changes were made to the share capital during 2018. Firstly, 1.0m shares were cancelled on 18 April in accordance with DFDS’ share buyback programme. Secondly, to maintain financial flexibility following the acquisition of U. N. Ro-Ro announced on 12 April, the share capital was increased with 2,631,578 shares on 17 May corresponding to proceeds of approximately DKK 1.0bn.

Stock exchange trading

The DFDS share is listed on Nasdaq Copenhagen where 32.1m DFDS shares were traded in 2018 equal to an annual turnover of DKK 11.0bn compared to DKK 8.3bn in 2017. The average number of trades per day was 1,848 compared to 1,679 in 2017 and the average daily turnover was DKK 44m compared to DKK 33m in 2017. The DFDS share is part of the Large Cap index.

Share price development and yield

DFDS’ share price declined 21% to DKK 262 in 2018. The market value at the end of 2018 was DKK 15.0bn, excluding treasury shares. By comparison, the Danish stock market’s all-share index decreased 10% in 2018.

The total distribution yield on the DFDS share was 2.7% in 2018 consisting of dividend yield and buyback of shares.

Distribution policy

Capital distribution to shareholders is based on a target leverage of an NIBD/EBITDA-multiple between 2.0 and 3.0. Dividend is paid semi-annually, when required, to facilitate a faster return of capital to shareholders and to align payments with DFDS’ seasonal cash flow that peaks during the third quarter, the high season for passenger travel. After distribution of dividend, excess capital is determined based on the leverage target, including future investment requirements, and distributed through share buybacks.

Investor relations

Søren Brøndholt Nielsen, VP,
IR & Corporate Planning
Phone: +45 3342 3359
E-mail: udsbn@dfds.com

Shareholder’s secretariat

Helle Hvidtfeldt Jensen,
Secretary
Phone: +45 3342 3271
E-mail: shareholder@dfds.com

To maintain financial flexibility after the acquisition of U. N. Ro-Ro was announced in April 2018, both the ongoing share buyback program and the second dividend planned for distribution in August were suspended.

Distribution to shareholders

DKK 409m was distributed to shareholders in 2018 of which DKK 219m was dividend paid in March and DKK 190m was distributed through share buybacks.

Dividend proposal

The Board of Directors proposes to the 2019 annual general meeting (AGM) a dividend of DKK 4.00 per share.

Shareholders

At the end of 2018, DFDS had 16,741 registered shareholders who owned 93% of the share capital. International shareholders owned 32% (2017: 30%) of the total registered share capital. The Lauritzen Foundation was the largest shareholder with a holding of 42% of the total share capital at the end of 2018.

Ownership structure, end of 2018

Lauritzen Foundation	41.6
Institutional shareholders	39.7
Other registered shareholders	9.2
Treasury shares	2.4
Non-registered shareholders	7.2
Total	100.0

With reference to §38 in the Danish Capital Markets Act, Lauritzen Foundation domiciled in Copenhagen, Denmark, has notified DFDS A/S that it holds more than 5% of the share capital and voting rights of the company.

Shareholder distribution, end of 2018

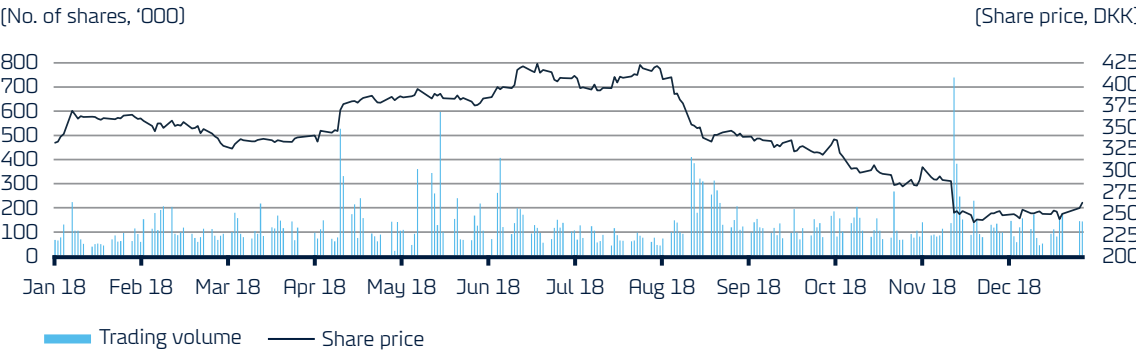
No. of shares	No. of shareholders	% of share capital
1-50	5,106	0.3
51-500	8,962	3.1
501-5000	2,318	5.4
5001-50000	266	7.5
50001-	90	83.7
Total*	16,742	100.0

* Total of registered shareholders

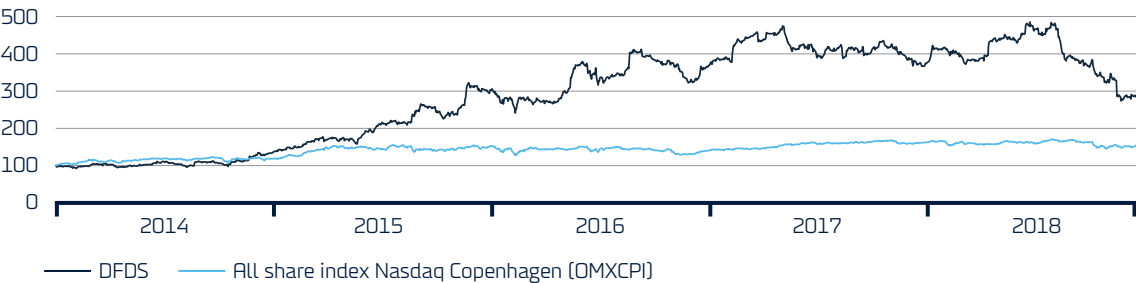
Share related key figures

	2018	2017	2016	2015	2014
Share price DKK					
Price at year-end	262.2	331.3	322.6	267.0	118.2
Price high	421.2	415.1	359.9	282.0	118.2
Price low	239.4	320.5	211.1	121.0	80.8
Market value year-end, DKK m	14,990	18,106	18,405	15,840	7,177
No. of shares year-end, m	59	57	60	62	63
No. of circulating shares year-end, m	57	55	57	59	61
Distribution to shareholders DKK m					
Dividend paid per share, DKK	4.00	10.00	6.00	5.40	2.80
Total dividend paid ex. treasury shares	219	555	349	326	177
Buyback of shares	190	1,106	914	401	295
Total distribution to shareholders	409	1,661	1,263	727	472
FCFE yield, %	-15.2	6.1	7.5	9.7	2.6
Total distribution yield, %	2.7	9.2	6.8	4.6	6.5
Cash payout ratio, %	-17.9	150.7	91.4	47.0	253.8
Shareholder return					
Share price change, %	-20.9	2.7	20.8	125.9	35.2
Dividend return, %	1.2	3.1	2.2	4.6	3.2
Total shareholder return, %	-19.6	5.8	23.1	130.5	38.4
Share valuation					
Equity per share, DKK	160.5	120.7	116.3	105.4	100.0
Price/book value, times	1.6	2.7	2.8	2.5	1.2

DFDS share price and trading volume, 2018



Share price performance relative to Copenhagen all share index 2014-2018



Financial review

Revenue up 10%
to DKK 15.7bn

EBITDA up 11%
to DKK 3.0bn

ROIC of 13.5%

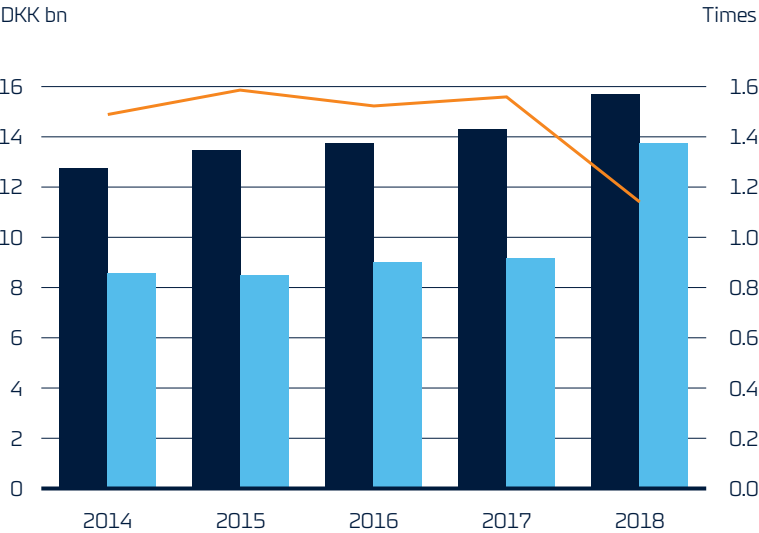
Equity ratio at 42%

After continued growth of freight volumes in the first half of 2018, freight volumes slowed in the second half of the year as uncertainty about the outcome of Brexit increased over the summer. The passenger market was more resilient with stable volumes through the year. Growth in revenue and earnings thus slowed for DFDS' northern European activities in the second half of the year.

Earlier in the year, activities in the Mediterranean were significantly expanded with the acquisition of the Turkish freight ferry operator U. N. Ro-Ro, announced 12 April and completed 7 June 2018. This was followed by further growth as the cooperation with Ekol Logistics was greatly expanded towards the end of the year, announced 21 December. Volumes are expected to increase by around 30% between Turkey and Italy in 2019 from this cooperation.

The result for the logistics activities were boosted in the first half-year by a large logistics contract covering supply chains between Sweden and Belgium. The contract also ensured substantial ferry volumes in the same corridor. The integration of Special Cargo, acquired 3 January 2018, was successfully completed during the year and the result was further improved through efficiency and improvement projects as well as the divestment and closure of lossmaking activities in Q4 2017 and April 2018, respectively.

Revenue and invested capital



DFDS' operating profit (EBITDA) before special items increased in 2018 by 11% to DKK 2,988m compared to 2017, mainly driven by acquisitions, while profit before tax was up 1%, both before special items. The latter was reduced by depreciations and finance costs related to the acquisition of U. N. Ro-Ro and Special Cargo. Revenue increased 10% in 2018 to DKK 15,717m, also mainly driven by acquisitions.

On a divisional level, Ferry Division's EBITDA before special items increased 8% to DKK 2,713m driven by the acquisition of U. N. Ro-Ro. The Logistics Division's EBITDA before special items increased 25% to DKK 330m driven by further growth in contract logistics, an acquisition and a positive impact from the closure of lossmaking activities.

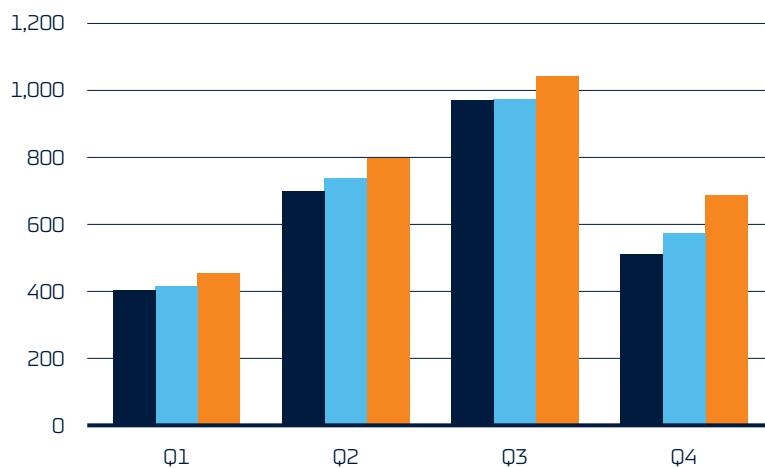
The Group's free cash flow was negative by DKK 2.3bn after net investments of DKK 4.8bn, including DKK 3.6bn for acquisitions. The free cash flow was positive by DKK 1.3bn excluding acquisitions.

Financial leverage increased due to the acquisition of U. N. Ro-Ro. The leverage ratio of net interest-bearing debt (NIBD) to operating profit (EBITDA) before special items was 2.8 at year-end up from 0.9 at the end of 2017. The equity ratio was 42% at year-end 2018 compared to 50% in 2017.

The average number of employees increased 8% to 7,791 in 2018. The increase was mainly due to the full-year impact of acquisitions, additional contract logistics activities and more employees in IT and digital functions.

EBITDA before special items per quarter

DKK m



● 2016
● 2017
● 2018

Key figures

DKK million	2018 EUR m ¹	2018	2017	2016	2015	2014
Income statement						
Revenue	2,109	15,717	14,328	13,790	13,473	12,779
• Ferry Division	1,492	11,117	9,892	9,468	9,071	8,733
• Logistics Division	714	5,324	5,160	4,930	5,034	4,625
• Non-allocated items and eliminations	-97	-724	-724	-608	-631	-579
Operating profit before depreciations (EBITDA) and special items	401	2,988	2,702	2,588	2,041	1,433
• Ferry Division	364	2,713	2,513	2,439	1,906	1,309
• Logistics Division	44	330	263	252	234	200
• Non-allocated items	-7	-55	-74	-103	-99	-76
Profit on disposal of non-current assets, net	1	7	7	8	5	9
Operating profit (EBIT) before special items	256	1,909	1,782	1,644	1,199	695
Special items, net	-7	-49	-41	-13	-36	-70
Operating profit (EBIT)	249	1,859	1,741	1,631	1,164	626
Financial items, net	-22	-165	-55	-43	-121	-124
Profit before tax	227	1,694	1,686	1,588	1,043	502
Profit for the year	220	1,637	1,618	1,548	1,011	434
Profit for the year excluding non-controlling interest	219	1,630	1,617	1,548	1,011	435
Capital						
Total assets	2,964	22,132	13,308	13,004	12,646	12,249
DFDS A/S' share of equity	1,229	9,174	6,565	6,636	6,480	6,076
Equity	1,239	9,255	6,614	6,685	6,530	6,127
Net-interest-bearing debt ²	1,140	8,513	2,352	2,424	1,773	2,467
Invested capital, end of period ²	2,398	17,908	9,099	9,205	8,363	8,633
Invested capital, average ²	1,845	13,778	9,178	9,037	8,535	8,578
Cash flows						
Cash flows from operating activities, before financial items and after tax	337	2,516	2,666	2,662	2,207	1,398
Cash flows from investing activities	-643	-4,802	-1,564	-1,207	-571	-1,069
Acquisition of enterprises and activities	-487	-3,635	0	-51	-7	-85
Other investments, net	-156	-1,167	-1,564	-1,156	-564	-984
Free cash flow (FCFF)	-306	-2,286	1,102	1,455	1,637	329
Key operating and return ratios						
Average number of employees		7,791	7,235	7,065	6,616	6,363
Number of ships		70	64	63	54	53
Revenue growth, %		9.7	3.9	2.4	5.4	5.6
EBITDA margin, %		19.0	18.9	18.8	15.1	11.2
Operating margin, %		12.1	12.4	11.9	8.9	5.4
Revenue/invested capital average, (times)		1.1	1.6	1.5	1.6	1.5
Return on invested capital (ROIC), %		13.1	18.6	17.7	13.3	7.2
ROIC before special items, %		13.5	19.0	17.8	13.7	8.0
Return on equity, %		20.7	24.5	23.4	16.1	7.1
Key capital and per share ratios						
Equity ratio, %		41.8	49.7	51.4	51.6	50.0
Net-interest-bearing debt/EBITDA, times		2.8	0.9	0.9	0.9	1.7
Earnings per share (EPS), DKK		29.0	29.1	26.6	16.8	7.0
Dividend paid per share, DKK		4.00	10.00	6.00	5.40	2.80
Number of shares, end of period, '000		58,632	57,000	60,000	61,500	63,250
Weighted average number of circulating shares, '000		56,204	55,594	58,141	60,067	62,246
Share price, DKK		262.2	331.3	322.6	267.0	118.2
Market value, DKK m		14,990	18,106	18,405	15,840	7,177

¹ Applied exchange rate for euro as of 31 December 2018: 7.4532 (Average) and 7.4673 (End)

² As from 2015 the fair value of cross currency derivatives on bond loans forms part of Net-interest-bearing debt as these by nature are closely related to the interest-bearing debt. In previous years they formed part of non-interest-bearing items. The comparative figures have not been restated. The fair value of cross currency derivatives on bond loans in the comparative years are 2014: DKK -221m.

Board of Directors and Executive Board

Claus V. Hemmingsen, Chair, 2,453 shares

- Born: 1962
- Position: Vice CEO, A.P. Møller-Mærsk A/S and CEO, Energy division
- Joined the Board: 29 March 2012
- Re-elected: 2013-2018
- Period of office ends: 26 March 2019
- Chair of the Nomination and Remuneration Committees

Klaus Nyborg, Vice Chair, 0 shares

- Born: 1963
- Position: Managing director, Return ApS
- Joined the Board: 31 March 2016
- Re-elected: 2017-2018
- Period of office ends: 26 March 2019
- Member of the Nomination and Remuneration Committees

Marianne Dahl Steensen, Board member, 0 shares

- Born: 1974
- Position: CEO, Microsoft Denmark A/S
- Joined the Board: 21 March 2017
- Re-elected: 2018
- Period of office ends: 26 March 2019
- Member of the Nomination and Remuneration Committees

Anders Götzsche, Board member, 1,300 shares

- Born: 1967
- Position: Executive Vice President and CFO, H. Lundbeck A/S
- Joined the Board: 19 March 2018
- Period of office ends: 26 March 2019
- Chair of the Audit Committee

Jørgen Jensen, Board member, 0 shares

- Born: 1968
- Position: CEO, Windex A/S; Managing director, JFJ Invest ApS
- Joined the Board: 24 March 2015
- Re-elected: 2016-2018
- Period of office ends: 26 March 2019
- Member of the Audit Committee

Jens Otto Knudsen, Board member (staff representative), 0 shares

- Born: 1958
- Joined the Board: 13 April 2011
- Re-elected: 2012-2018
- Period of office ends: 19 March 2022



From left to right
Jesper Hartvig Nielsen,
Marianne Dahl Steensen,
Torben Carlsen, Jill
Lauritzen Melby, Anders
Götzsche, Claus V.
Hemmingsen, Niels
Smedegaard, Klaus
Nyborg, Jørgen Jensen,
Jens Otto Knudsen and
Lars Skjold-Hansen

Jill Lauritzen Melby, Board member, 4,735 shares

- Born: 1958
- Position: Team Leader Finance, BASF A/S
- Joined the Board: 18 April 2001
- Re-elected: 2002-2018
- Period of office ends: 26 March 2019
- Member of the Audit Committee

Jesper Hartvig Nielsen, Board member (staff representative), 0 shares

- Born: 1975
- Joined the Board: 19 March 2018
- Period of office ends: 19 March 2022

Lars Skjold-Hansen, Board member (staff representative), 300 shares

- Born: 1965
- Joined the Board: 22 March 2013
- Re-elected: 2014-2018
- Period of office ends: 19 March 2022



↑
From left to right
Eddie Green, Peder Gellert
Pedersen, Henrik Holck, Niels
Smedegaard and Torben Carlsen

Executive Management

Niels Smedegaard (1962)
President & CEO
MSc (Finance)
DFDS since 2007
143,263 shares

Torben Carlsen (1965)
Executive Vice President & CFO
MSc (Finance)
DFDS since 2009
123,820 shares

Peder Gellert Pedersen (1958)
Executive Vice President
Ferry Division
Ship broker, HD (O)
DFDS since 1994

Eddie Green (1958)
Executive Vice President
Logistics Division
BA (Hons) Economics
DFDS since 2010

Henrik Holck (1961)
Executive Vice President
People & Ships
MSc Psych
DFDS since 2007