EARNINGS FURTHER INCREASED IN Q3

DFDS GROUP
Q3 2016

15 November
2016

DFDS

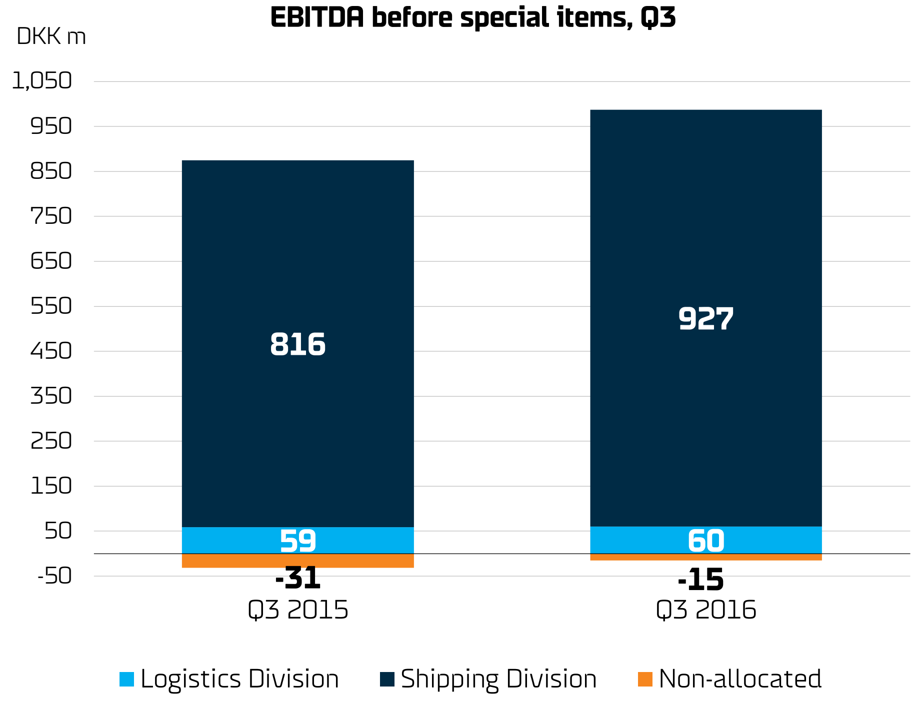
Contents

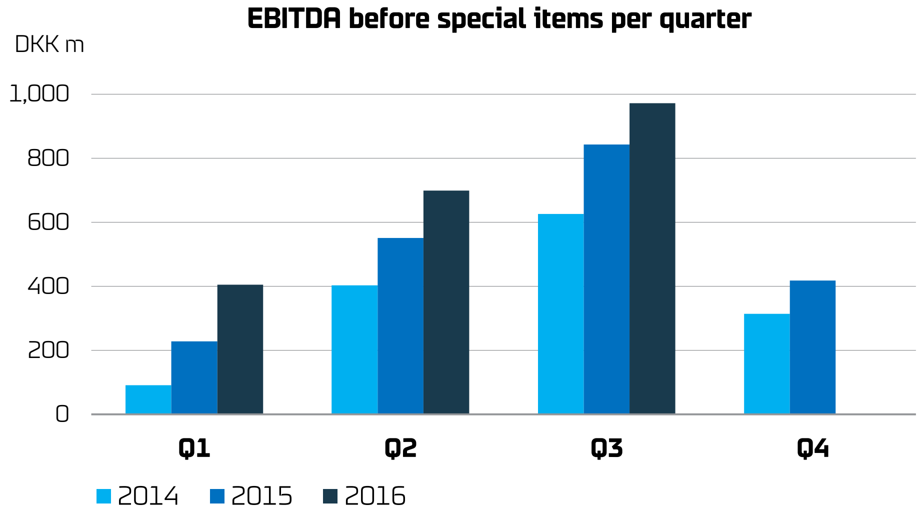
- Overview
- Q3 numbers
- Cash flow
- Outlook 2016
- Focus areas going into 2017

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.

Solid Q3 performance carried by continued high freight volumes

- **EBITDA** increased by 15% to DKK 972m in Q3, including an impact of DKK -45m from currency
- **Positive** operating environment in Q3 under-pinned by steady progress in Europe's key economies, also the UK
- No signs in the **freight sector** of a slowdown in the UK economy
- Main consequence from **Brexit** continues to be effects of the depreciation of GBP
- **Freight volumes** increased by 17% in Q3 and by 4% excluding Channel
- **Pax markets** softened by the depreciation of GBP, terror attacks and migrant issues
- **EBITDA-outlook** raised to DKK 2,525-2,625m from previously DKK 2,450-2,600m

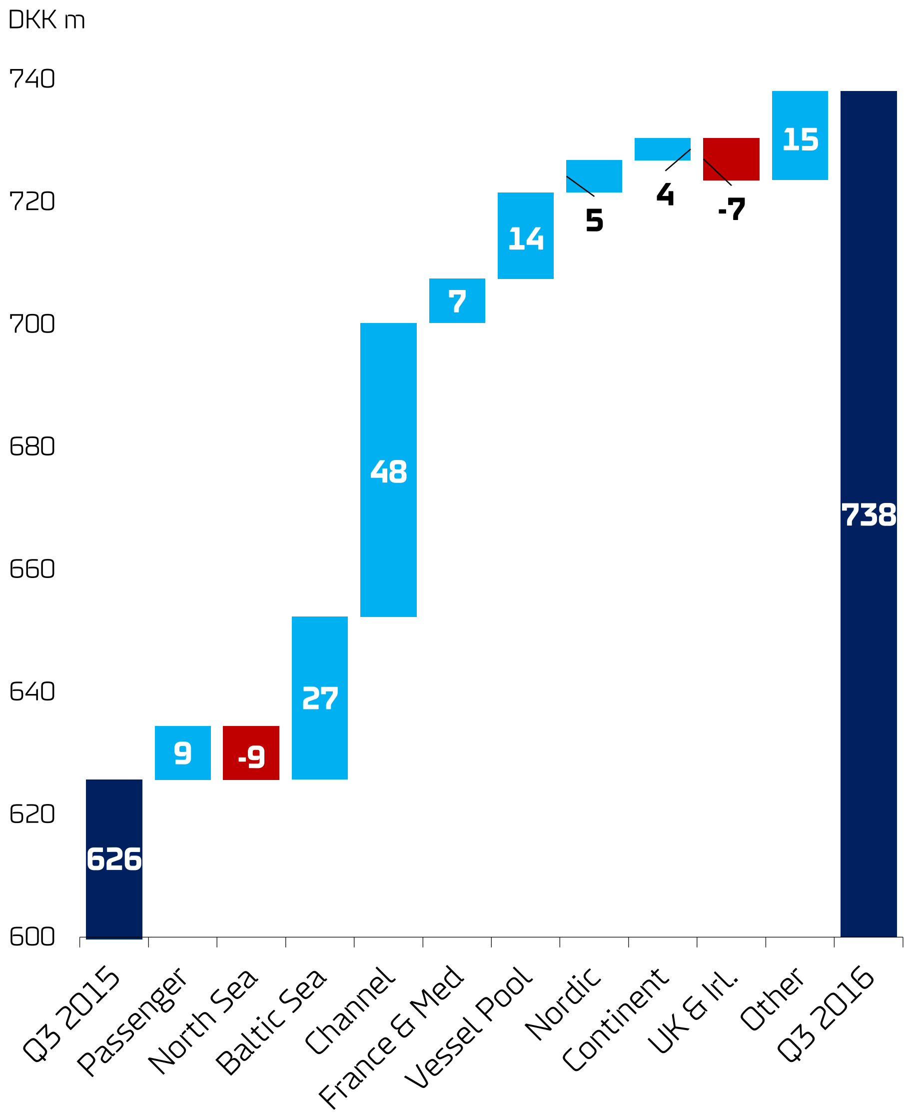




Channel and Baltic Sea key EBIT drivers in Q3

- **Passenger +9m**: negative impact from depreciation of GBP offset by lower bunker costs
- **North Sea -9m**: route result increased driven by volume growth. Result reduced by lengthening of a ship and dockings (DKK -18m)
- **Baltic Sea +27m:** result lifted by continued growth on key routes supported by extra capacity and higher rates
- **Channel +48m:** increase mainly driven by Dover-Calais' additional capacity and growth in the freight market. Softer pax market
- **Nordic/Continent +9m:** Nordic's and Continent's result were improved by contributions from almost all areas.
- **UK & Ireland -7m:** Impact from balance issues in N. Ireland and lower temperature-controlled volumes. Negative impact from depreciation of GBP

Q3 2016: DFDS Group EBIT change vs LY



Q3 2016 in numbers

- **7% revenue growth** excluding revenue from bunker surcharges and adjusted for currency changes. Reported revenue growth flat
- EBITDA-margin increased in both divisions. Group **EBITDA-margin** increased to 25.6%
- Increase in **depreciations** mainly due to addition of Channel ferries
- **Net finance cost** reduced by net positive currency adjustment and lower interest cost
- **Profit before tax** up by 23% to DKK 732m
- **Invested capital** increased mainly due to addition of Channel ferries in Q1 and purchase of a ro-pax ship in Q2
- **ROIC LTM*** Q3 increased to 17.4% (2015: 13.7%) before special items

DKK m	Q3 16	Q3 15	Change vs LY	Change %
REVENUE	3,799	3,792	7	0%
EBITDA BEFORE SI	**972**	**843**	**129**	**15%**
margin, %	25.6	22.2	3.3	n.a.
P/L associates	-2	-3	1	-38%
Gain/loss asset sales	2	1	1	64%
Depreciations	-234	-216	-18	8%
EBIT BEFORE SI	**738**	**626**	**113**	**18%**
margin, %	19.4	16.5	2.9	n.a.
Special Items	0	-1	1	n.a.
EBIT	738	625	114	18%
Finance	-6	-31	25	-82%
PBT BEFORE SI	**732**	**594**	**138**	**23%**
PBT	**732**	**593**	**139**	**23%**
Tax	-24	-22	-2	9%
NET PROFIT	709	572	137	24%
EMPLOYEES avg., no.	7,017	6,583	434	7%
INVESTED CAPITAL	9,184	8,553	632	7%
ROIC LTM ex. SI, %	**17.4**	**12.8**	**4.6**	**n.a.**
NIBD	2,554	2,032	522	26%
NIBD/EBITDA, times	**1.0**	**0.9**	**0.1**	**n.a.**
SOLVENCY, %	50	51	-1	n.a.

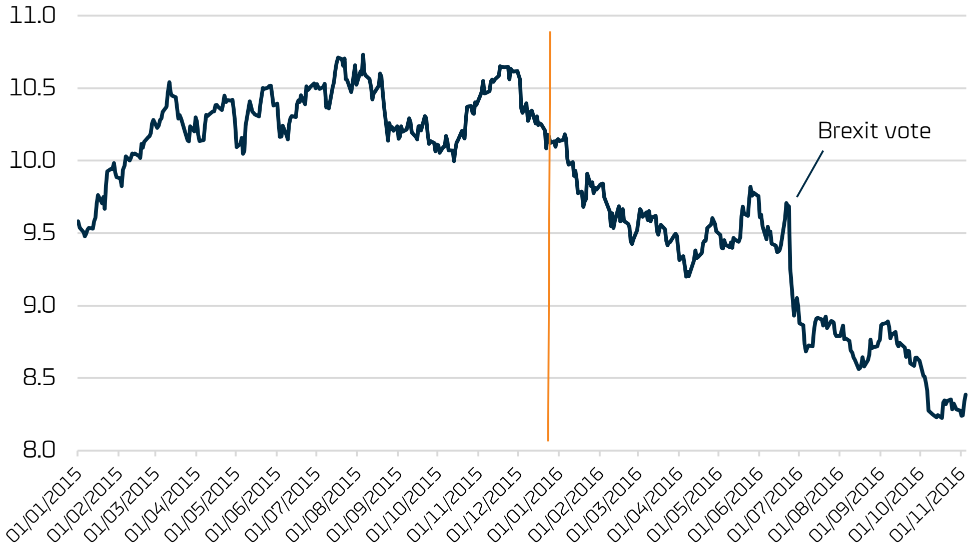
*LTM: Last twelve months

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

Large Q3 impact from depreciation of GBP

- GBP/DKK was 15.8% lower in Q3 2016 vs LY (SEK/DKK: -1.1%, NOK/DKK: -1.9%)
- **Peak impact in Q3** due to passenger high season on Channel with 75% of revenue in GBP
- Negative **revenue** currency impact of around DKK 179m in Q3 2016 vs 2015 from mainly depreciation of GBP
- Negative **EBITDA** currency impact of around DKK 45m in Q3 2016 vs 2015 from mainly depreciation of GBP
- Further negative EBITDA currency impact expected in Q4 2016 of around DKK 16m

GBP/DKK exchange rate 2015-16



Impact of change in currencies vs 2015

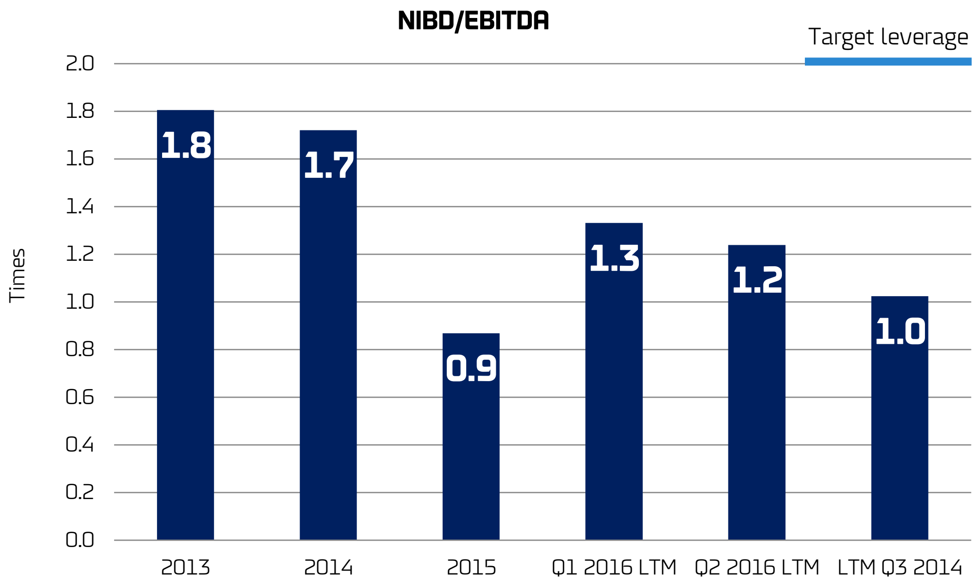
DKK m	Shipping Division	Logistics Division	DFDS Group
Revenue			
H1	-57	-58	-115
Q3	-109	-70	-179
Q4	-85	-99	-184
FY	**-250**	**-228**	**-478**
EBITDA			
H1	-9	-4	-14
Q3	-40	-4	-45
Q4	-8	-8	-16
FY	**-58**	**-17**	**-75**

High season cash flow reduced financial leverage

- Q3 **free cash flow** (FCFF) was DKK 674m and DKK 1.5bn for LTM
- Positive cash flow from change in working capital of DKK 223m for LTM
- **Conversion of EBITDA** into operating cash flow was 0.85 for Q3 and 1.07 for LTM
- **NIBD/EBITDA** reduced to 1.0 at end of Q3 2016 – despite addition of debt from Channel ferries, newly acquired ro-pax ship and ongoing share buyback
- Channel ferries expected to impact free cash flow in June 2017 when Eurotunnel intends to exercise put option

Cash flow overview

DKK m	Q3 2016	2015	LTM Q3 2016
EBITDA	**972**	**2,041**	**2,494**
Change in working capital	-142	199	223
Other	-2	-19	-49
Tax paid	-3	-14	-19
Operating cash flow	**825**	**2,207**	**2,649**
EBITDA conversion ratio, times	0.85	1.08	1.06
Investments	-151	-571	-1,172
Free cash flow (FCFF)	**674**	**1,637**	**1,477**



LTM: Last twelve months

EBITDA outlook for 2016 raised to DKK 2,525-2,625m

- **Moderate growth** in Europe continued in Q3 and indicators look robust for Q4 as well – despite Brexit and US election
- Continued increase in freight shipping volumes reflects steady growth in most of the economies that DFDS operate in
- Passenger markets more challenged by the mix of: depreciation of GBP, terror attacks and migrant issues
- Revenue growth outlook **reduced** to around 4% due to currency headwind expected full-year to total DKK 475m
- Outlook for **investments** still at DKK 1.0bn

NEW OUTLOOK 2016

- Revenue growth of around 4%, excluding revenue from bunker surcharges
- EBITDA of DKK 2,525-2,625m (prev. DKK 2,450-2,600m)
  - Shipping Division: DKK 2,375-2,450m
  - Logistics Division: DKK 250-275m
  - Non-allocated items: DKK -100m
- Investments of DKK 1.0bn

2016 outlook: Update of major performance drivers

Certain/Likely	Expected	Uncertain	Macro drivers
• Capacity expansion: Channel, North Sea - **implemented** • Capacity reduction: Baltic Sea – **reduction on Russian & Danish routes but extra capacity added Sweden–Lithuania due to high demand from customers** • Revenue increase from new logistics contracts – **achieved, but offset from drop in fuel surcharges, GBP depreciation, slower ramp-up on one contract**	• Freight shipping volume growth **expected at 15-20%** • Passenger volume growth **expectation reduced to 10-15% from 15-20%** • Competitive pricing environment • Bunker cost savings in Passenger - **achieved** • Logistics earnings boost from new contracts - **achieved**	• Channel competitor dynamics after deployment of upgraded ferries • Competitor actions • Impact of stock market setback on general economy – **markets recovered** • Possible impacts from migration and terrorist attacks – **passenger markets softer, also due to GBP depreciation**	• UK economy – slowdown? – • Brexit referendum – **UK to leave EU** • Swedish economy – pick up? • Norwegian economy – slowdown? **ongoing** • Russian market demand set to remain 'zero' • Changes in oil price and exchange rates – **oil price fluctuating, GBP depreciation**

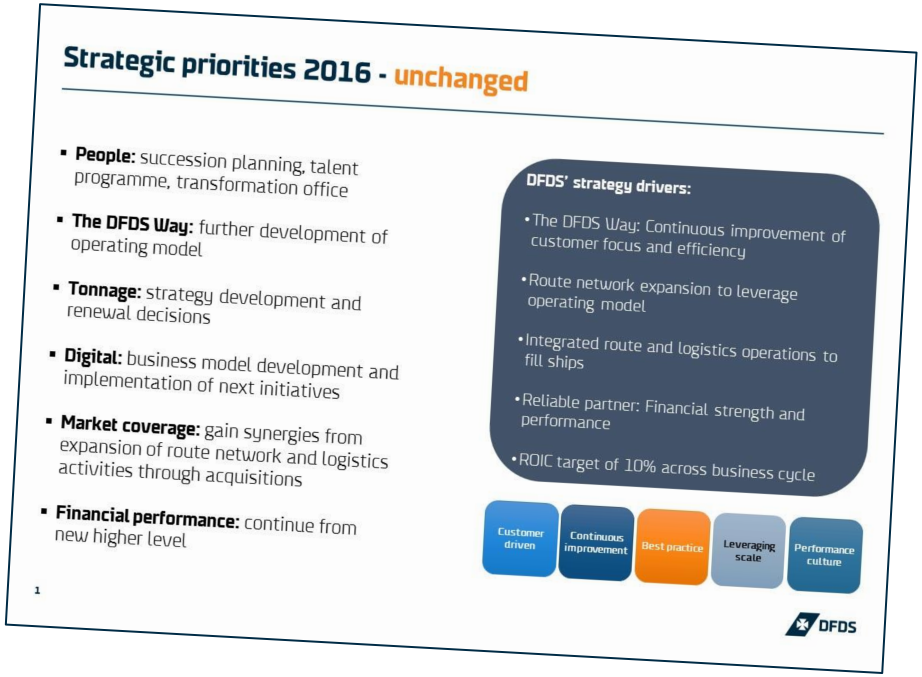
Focus areas going into 2017

- **Continuous improvement:**
  - Roll out of DFDS WAY 2.0
  - Achieving benefits from projects
  - Customer satisfaction – growing the topline
  - Keeping costs in line

- Monitoring **Brexit** and adapting to the change in GBP

- **Fleet renewal:** deployment of two freight ship (ro-ro) new buildings

- Further development and investment in **digital** business models and customer services



DFDS

AIMING HIGHER IN 2016

Q&A