

DFDS expands network to Strait of Gibraltar

Investor & analyst conference call



18 September 2023





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- About FRS Iberia/Maroc
- Market drivers
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- Transaction summary

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.

Acquisition aligned with 'grow & expand' transport network strategy

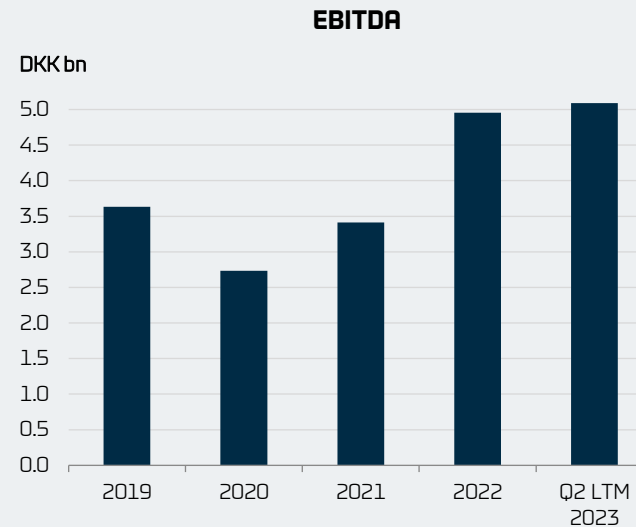
Transport network in and around Europe

Combines **ferry infrastructure** with **road & rail** capacity



Earnings fully recovered from Covid-19

EBITDA 2023 outlook of DKK 4.8-5.2bn



ESG frontrunner in our sector

Decarbonisation short-term on track

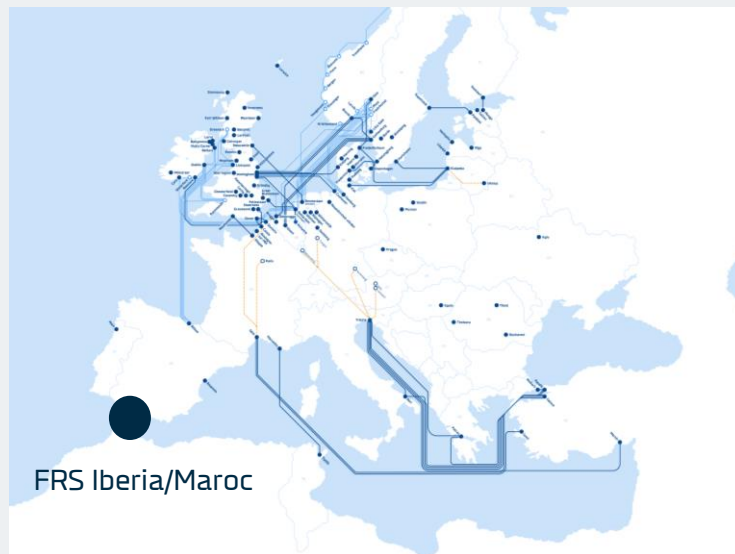


Ferry network expanded to high-growth Strait of Gibraltar market

Network expands to one of Europe's significant ferry markets

8% annual average market growth expected next 5 years

Attractive transaction terms
Ferry infrastructure & operational development opportunities



FRS Iberia/Maroc – quality ferry operator on Strait of Gibraltar

- **A market leading** ferry operator focused on reliability
- Founded in 2000, only operator present on all three routes in Strait of Gibraltar
- Key route **Algeciras-Tanger Med** – 50/50 freight/passenger revenue
- Generates around 60% of total revenue and higher earnings share
- **Tarifa-Tanger Ville** and **Algeciras-Ceuta** are passenger routes deploying high speed catamarans (HSC)
- **Market share** overall 28-30% depending on market segment

Overview key figures (financials, expected 2023)

Revenue DKK bn	EBITDA- margin	EBIT-margin	Employees	Fleet
1.0-1.2	18-20%	11-12%	750	7 vessels 5 owned 2 chartered

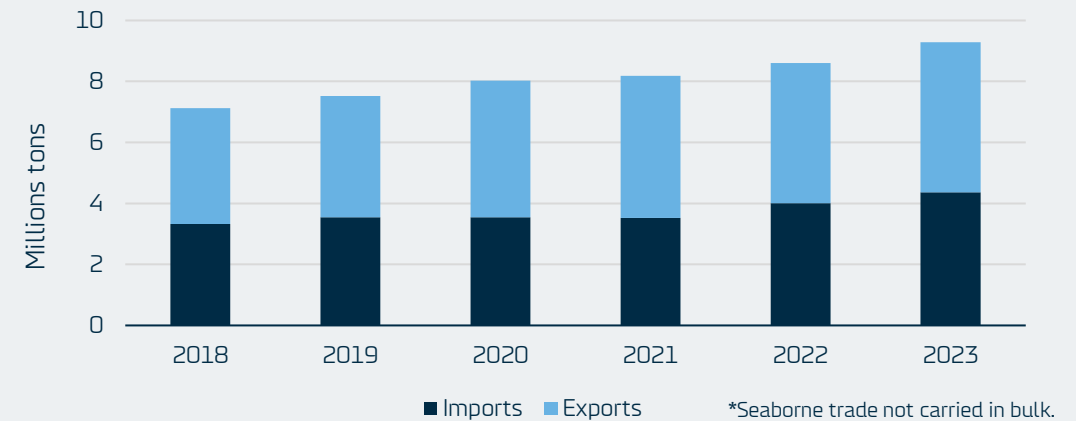
Fleet overview

Route	Vessels	Age, yrs	Pax	Cars	Lane metres
Algeciras-Tanger Med	2 ro-pax	27	1,000	230	1,240/1,240
	1 ro-ro	24	n/a	n/a	1,624
Tarifa-Tanger Ville	2 HSC	25	600	114	
Algeciras-Ceuta	2 HSC	8	700	150	330

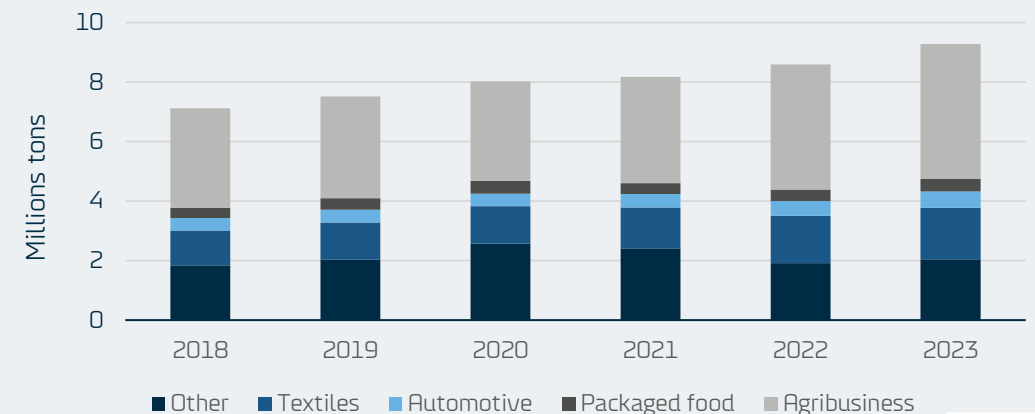
Ferry market 5-year growth outlook of 8% CAGR

- Total **EU-Morocco** ferry market revenue estimated at DKK 4.5bn, of which freight 25%
- Market revenue **forecast to grow 8% CAGR** driven by 10% freight and 7% pax growth
- **Morocco's growth** trend expected to be supported by nearshoring of supply chains
- **Balanced import/export** trade, some overweight of import
- Extensive Morocco-EU **trade Association Agreement**
- Key **trade partners**: Spain, France, Italy, Central EU

Balanced Morocco-Europe general cargo* trade



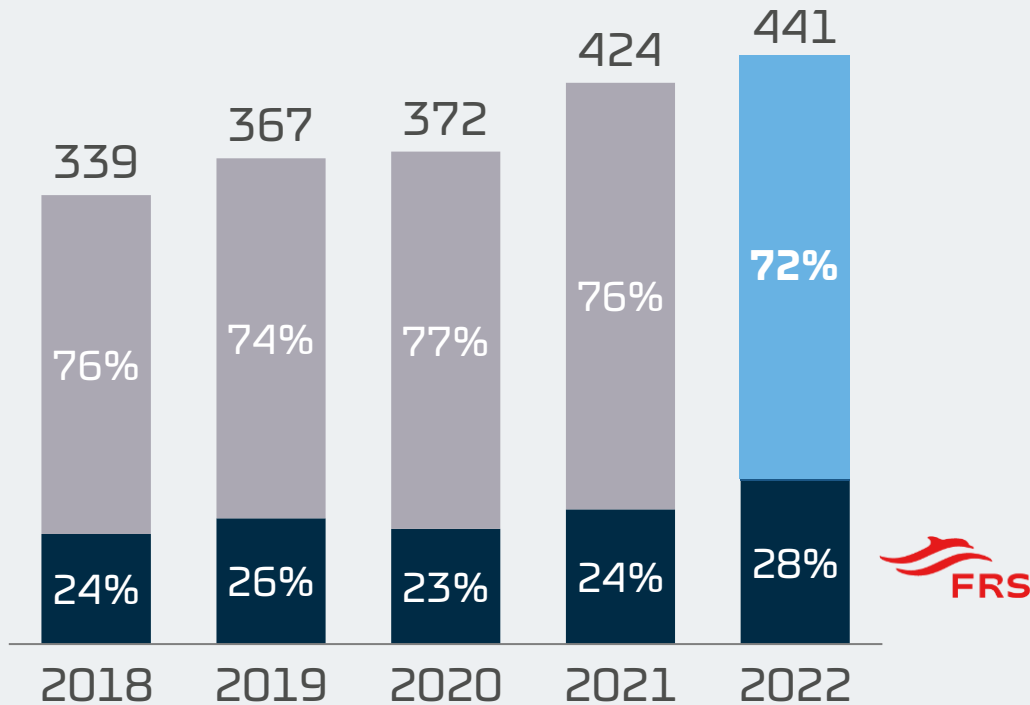
General cargo trade: Sectors suitable for ferry transport



FRS Iberia/Maroc is a market leading freight & passenger ferry operator

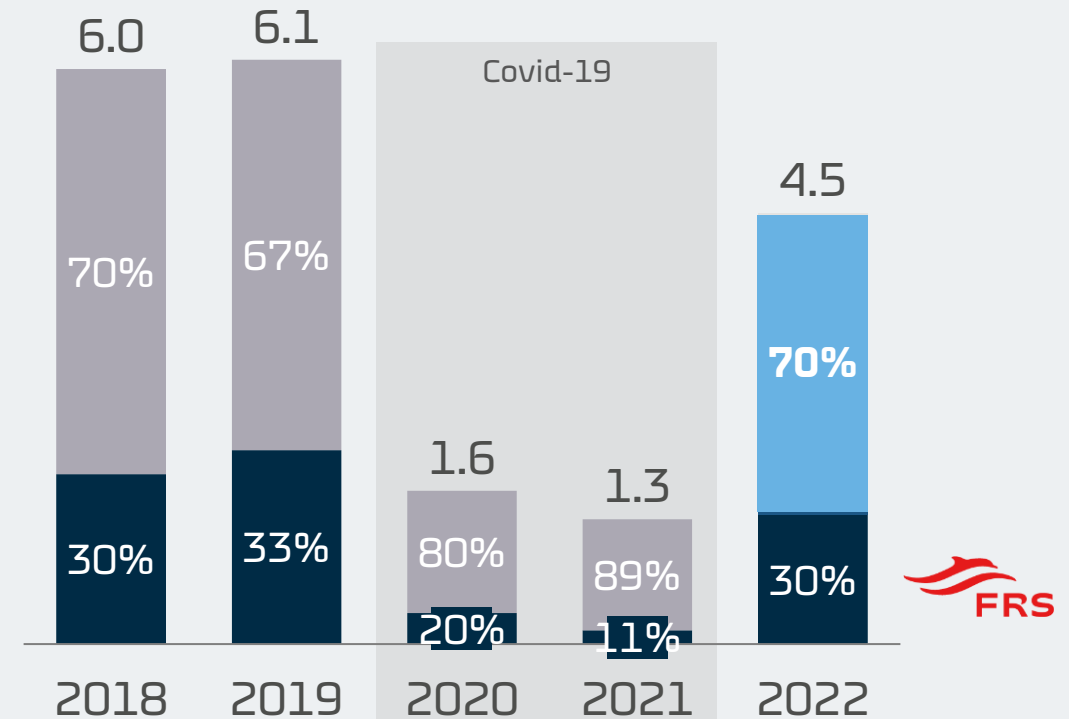
Freight: FRS Iberia/Maroc has 28% market share, remaining market split on four competitors

Cargo traffic (trucks/trailers, '000)



Passenger: FRS Iberia/Maroc has 30% market share. Around 60% of passengers are Morroccans. 3m Moroccans reside within EU

Passenger traffic (million passengers)



Good opportunities to use DFDS capabilities to drive growth & optimise

- Expands **Mediterranean** network to access growth from **nearshoring** trend
- **Short-sea** Channel capabilities to drive development and optimisation
- **Freight** high-growth segment
- **Optimise** passenger yield and digital distribution
- **Fleet rotation** possibilities for longer-term capacity optimisation
- Market **regulated** by law and concessions



Port of Algeciras, Spain

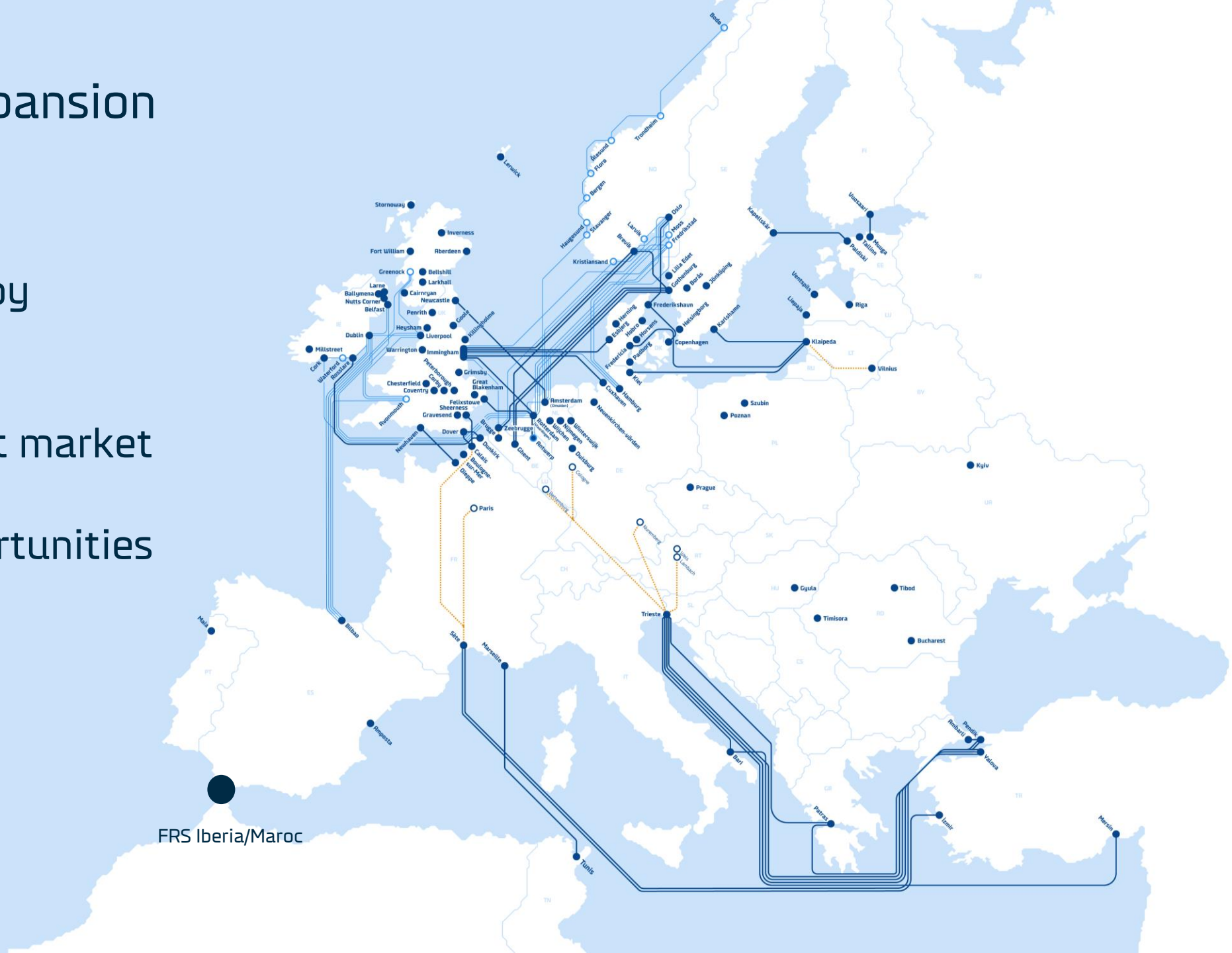
Attractive transaction terms and limited leverage impact

- EV/EBITDA **multiple of ~6x** based on 2023 expected EBITDA
- Transaction financed by **loan financing** and existing funds
- Financial **leverage** expected to increase 0.1x on pro forma basis
- **ROIC accretive** at current DFDS return level and EPS accretive
- Transaction subject to **regulatory approval**, closing expected towards year-end 2023



Ferry network expansion

- Market supported by nearshoring
- High-growth freight market
- Development opportunities
- Attractive terms





Q&A