

# Significant growth delivered

Q4 & FY 2022 investor call



9 February 2023







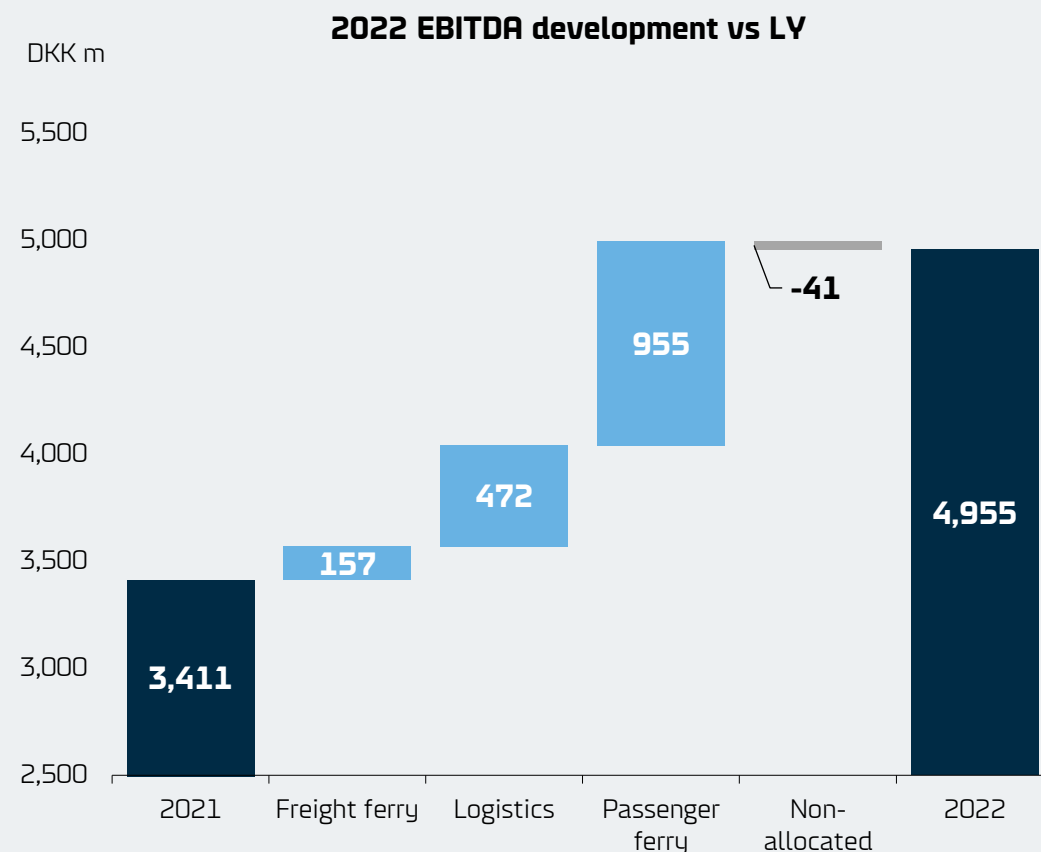
## Content

- 2022 overview
- Results
- ESG update
- 2023 distribution and outlook

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.

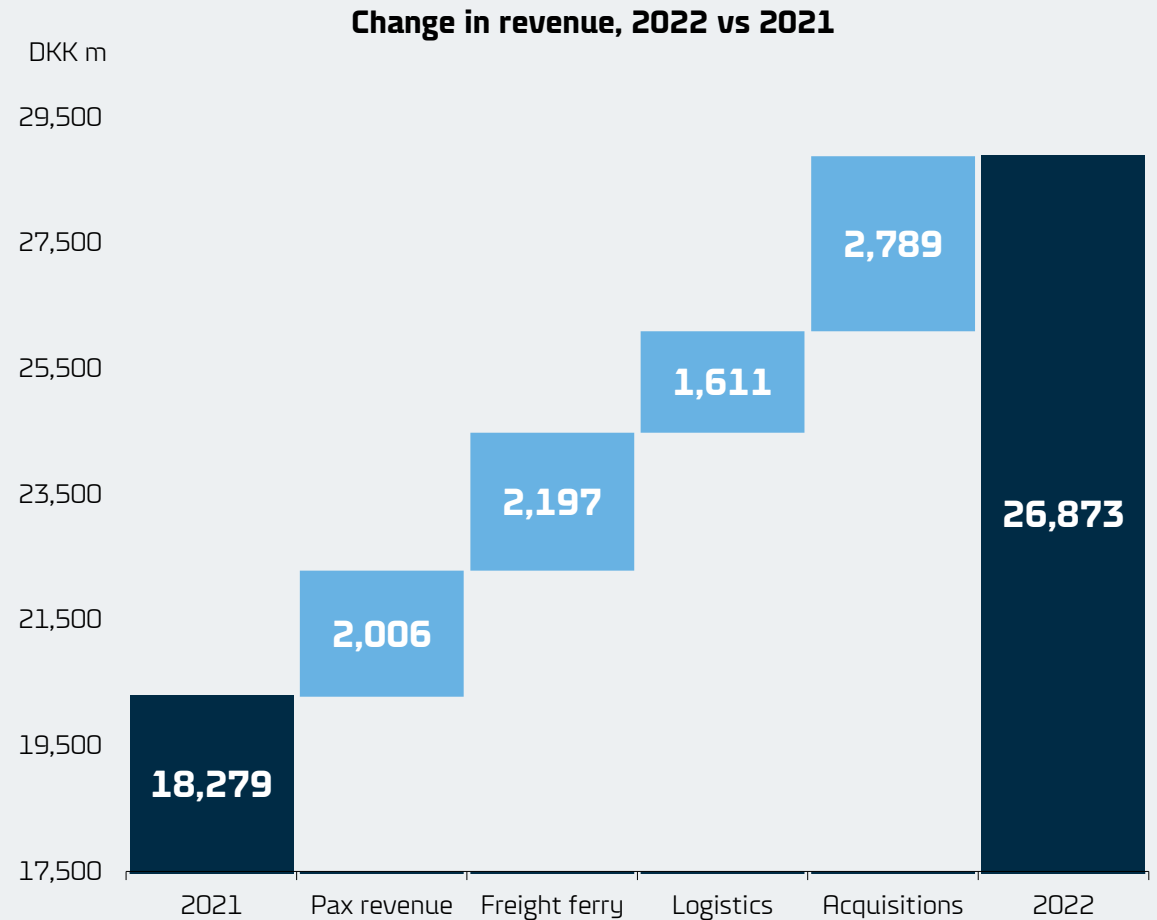
# Strong earnings growth in 2022 despite headwind in certain areas

- **Full-year EBITDA** up 45% to DKK 5.0bn for 2022
- In line with Win23 DKK 5.0bn earnings target for 2023
- **Growth** driven by return of passengers and full-year impact of HSF acquisition
- Improved freight ferry and logistics performance also contributed to growth
- **Headwind** from Dover Strait overcapacity situation and the war in Ukraine
- **Ferry** emission intensity reduced 4%



# Revenue lifted by both organic growth and acquisitions

- **Passenger** up DKK 2.0bn from 2.9m returning passengers and higher average spend
- **Freight ferry** increased by bunker surcharges as organic growth was offset by lower Dover Strait and Baltic volumes
- **Logistics** growth reflects cost recovery, surcharges, solutions growth, and customs revenue
- **Acquisition** revenue of DKK 2.8bn, of which DKK 2.4bn from HSF full-year impact



# 2022 income statement – bottomline doubled

- **EBITDA** increased in both divisions, Group margin lowered by higher share of logistics revenue
- **Depreciation** up DKK 418m due mostly to acquisitions and ferry new-buildings
- **EBIT** up 87% to DKK 2.5bn, margin increased 2.0 ppt to 9.1%
- **Finance** cost increased due to higher interest level and acquisitions
- **Profit before tax** more than doubled to DKK 2.1bn

DFDS Group P/L DKK m	2021	2022	Δ	Δ
Revenue	18,279	26,873	8,594	47%
<b>EBITDA*</b>	<b>3,411</b>	<b>4,955</b>	<b>1,544</b>	<b>45%</b>
<i>Margin</i>	<i>18.7%</i>	<i>18.4%</i>	<i>-0.2%</i>	
<i>Ferry Division</i>	<i>2,853</i>	<i>3,966</i>	<i>1,112</i>	<i>39%</i>
<i>Logistics Division</i>	<i>593</i>	<i>1,066</i>	<i>472</i>	<i>80%</i>
<i>Non-allocated</i>	<i>-35</i>	<i>-76</i>	<i>-41</i>	<i>n.a.</i>
P/L associates	-13	-14	-1	n.a.
Gain/loss on assets	2	21	18	757%
Depreciation	-2,087	-2,505	-418	20%
<b>EBIT*</b>	<b>1,313</b>	<b>2,457</b>	<b>1,143</b>	<b>87%</b>
<i>Margin</i>	<i>7.2%</i>	<i>9.1%</i>	<i>2.0%</i>	
Finance	-278	-343	-64	23%
<b>Profit before tax*</b>	<b>1,035</b>	<b>2,114</b>	<b>1,079</b>	<b>104%</b>
Tax	-94	-120	-26	28%
<b>Profit after tax*</b>	<b>941</b>	<b>1,994</b>	<b>1,053</b>	<b>112%</b>
Special items	34	25	-9	n.a.

# Returns improved above target and capital structure back in target range

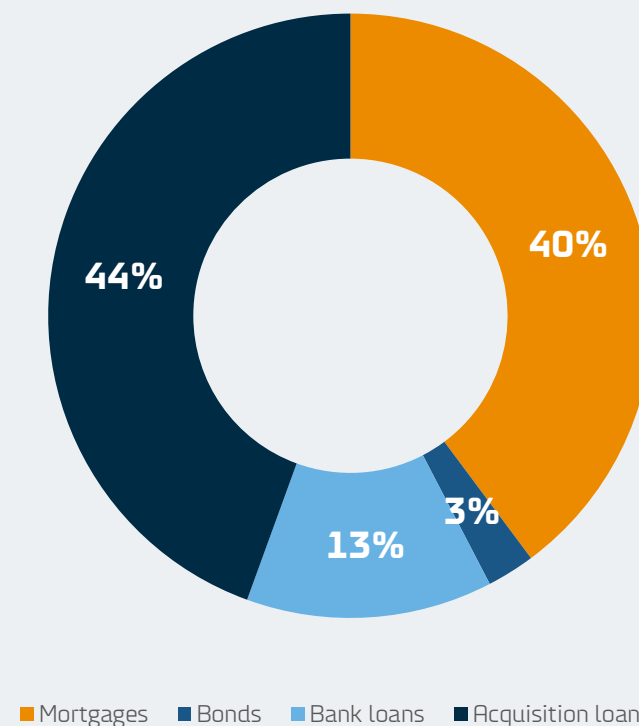
- **ROIC** increased to 8.6% and ROE increased to 16.4%
- **Capex** increased by ferry purchase, additional dockings and improvements, plus higher logistics Capex, including expansion projects
- **Adjusted free cash flow** of DKK 0.9bn
- **Use of funds** includes DKK 0.8bn for acquisitions and dividend
- **Leverage** of 2.8 back in 2.0-3.0 target range

DKK bn	2021	2022	Δ	Δ
<b>Returns</b>				
Invested capital, end	25.4	27.6	2.2	9%
ROIC before special items	5.2%	8.6%	3.4%	n.a.
Return on equity	8.7%	16.4%	7.7%	n.a.
<b>Cash flows</b>				
Operating cash flow	3.2	4.5	1.3	41%
Operating investments	-0.9	-1.8	-0.9	101%
Ferries, sale/purchase/newbuildings	-0.5	-0.9	-0.4	78%
Adjusted free cash flow	1.1	0.9	-0.2	-16%
<i>Use of funds</i>				
Acquisitions	-1.8	-0.3	1.5	-84%
Dividend	n.a.	-0.5	n.a.	n.a.
Net financing inflow	0.3	0.4	0.1	52%
Net cash flow	-0.4	0.3	0.7	n.a.
<b>Capital structure</b>				
NIBD	13.5	14.1	0.6	5%
NIBD/EBITDA, times	3.7	2.8	-0.9	n.a.
Equity ratio	37.6%	38.5%	0.9%	n.a.

# Interest-bearing debt overview

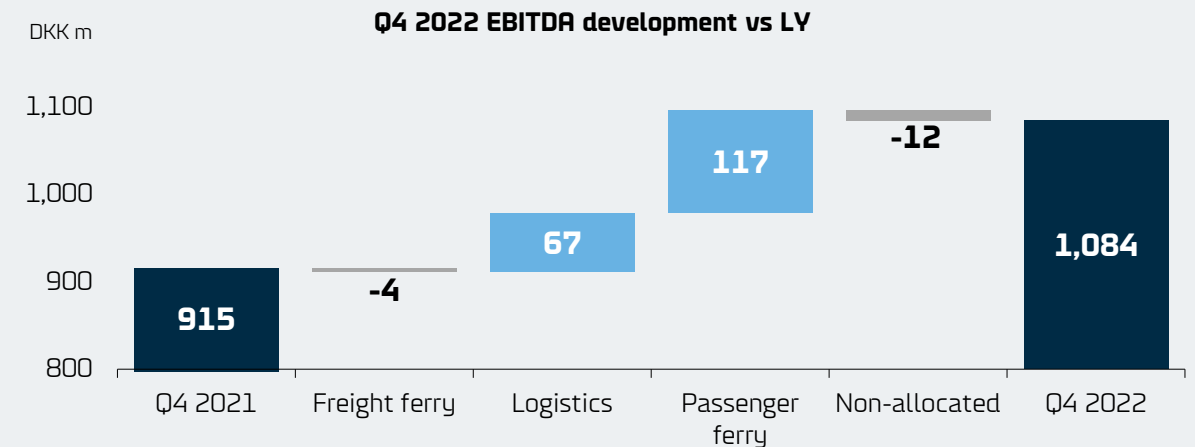
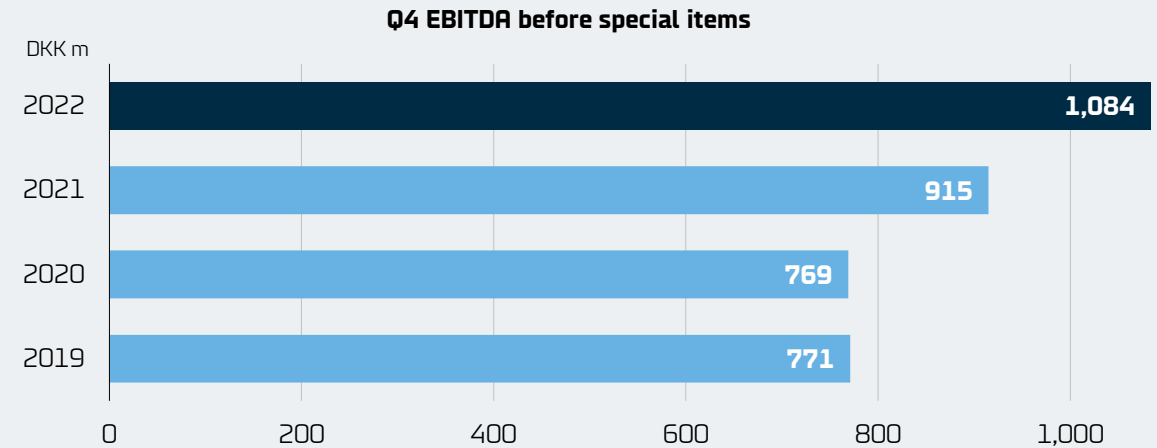
- **Interest-bearing debt** of DKK 11.0bn, excluding IFRS 16 lease liabilities
- **Fixed interest** debt around 40% of total
- **Bond** financing expired replaced with bridge until end 2023
- Investment grade **rating** obtained
- UNRR **acquisition loan** of DKK 4.9bn expiring in Q2 2023 refinanced with existing bank syndicate

Interest-bearing debt, excl lease liabilities, 2022



# Q4 EBITDA lifted by Logistics and passenger recovery

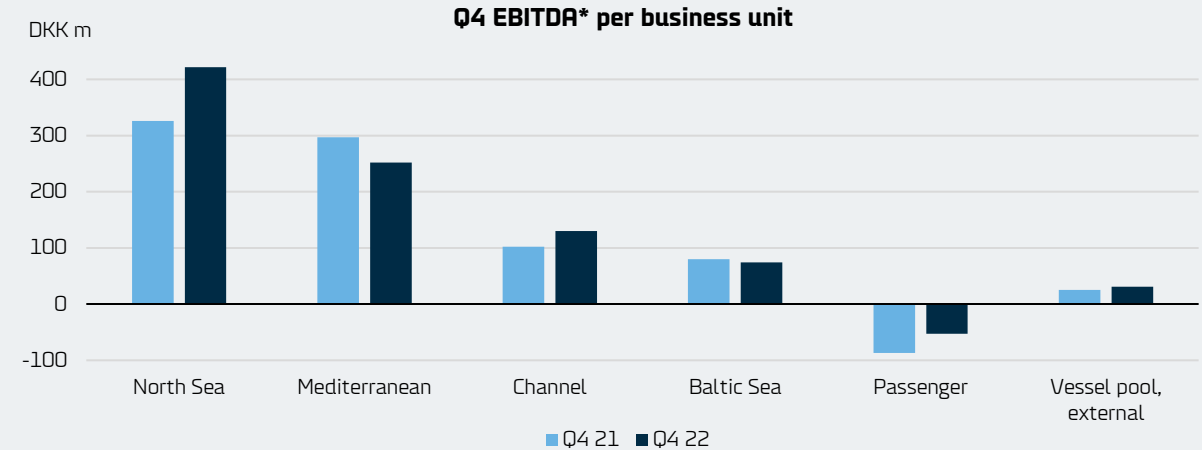
- **DFDS Group** revenue up 17%, EBITDA up 18% to DKK 1.1bn
- **Ferry freight** EBITDA on level due to Channel overcapacity and one-off items in Mediterranean
- **Passenger** recovery increased EBITDA to DKK 97m from DKK -20m in 2021
- **Logistics** EBITDA up 32% to DKK 278m driven by Dry Goods, including acquisitions. Cold Chain impacted by lower volumes to UK





# Ferry revenue and EBITDA growth boosted by return of passengers

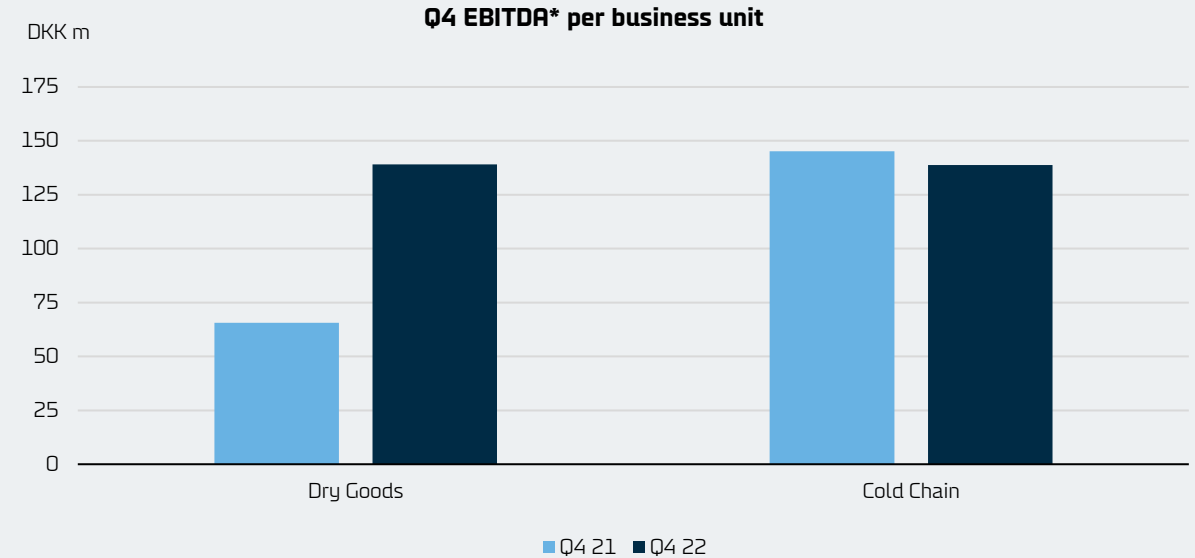
- **Q4 in line** with expectations, except for one-off cost in Mediterranean
- **Solid full-year growth** achieved by North Sea and Mediterranean
- **Channel** boosted by passenger earnings but headwind on freight earnings from overcapacity
- **Baltic Sea** freight held back by war in Ukraine, offset by passenger earnings
- **Passenger** partly recovered, more to come in 2023



DKK bn	Revenue			EBITDA*			ROIC, %		
	2021	2022	Ch.	2021	2022	Ch.	2021	2022	Ch.
North Sea	4.2	5.2	24%	1.3	1.6	24%	10.6	15.9	50%
Mediterranean	3.4	4.5	32%	1.1	1.2	16%	6.3	6.7	6%
Channel	2.6	3.8	46%	0.4	0.6	69%	-1.2	9.6	n.a.
Baltic Sea	1.4	1.6	14%	0.4	0.4	0%	14.0	10.7	-24%
Passenger	0.5	1.6	252%	-0.4	0.0	n.a.	-72.6	-9.1	n.a.
Non-allocated	0.5	0.5	4%	0.1	0.1	-38%	n.a.	n.a.	n.a.
<b>Ferry Division</b>	<b>12.2</b>	<b>16.8</b>	<b>38%</b>	<b>2.9</b>	<b>4.0</b>	<b>39%</b>	<b>5.3</b>	<b>9.9</b>	<b>87%</b>

# Logistics boosted by improved cost coverage and acquisitions

- **Q4 as expected** for Dry Goods, reduced Cold Chain export volumes to the UK
- **Cost coverage** improved through 2022
- **Growth** for warehousing and customs clearance
- **Large shifts** in haulage capacity made supply/demand balance challenging
- **HSF** acquisition full-year impact, integration progressing as planned
- 2 smaller **acquisitions** completed in 2022



DKK bn	Revenue			EBITDA*			ROIC, %		
	2021	2022	Ch.	2021	2022	Ch.	2021	2022	Ch.
Dry Goods	4.9	6.3	28%	0.3	0.5	73%	9.8	12.1	23%
Cold Chain	2.6	5.3	100%	0.3	0.5	87%	7.7	5.6	-27%
<b>Logistics Division</b>	<b>7.2</b>	<b>11.4</b>	<b>60%</b>	<b>0.6</b>	<b>1.1</b>	<b>80%</b>	<b>8.6</b>	<b>7.9</b>	<b>-8%</b>

# Key ESG actions

- **Ferry** CO2 emission intensity reduced 7% in Q4 across ferry network – 4% full-year reduction
- Design of **next generation** ferry fuel and propulsion concepts ongoing
- **25% of electricity** from own solar panels or backed by green certificates
- **98% of trucks** now Euro 6 emission standard. First eTrucks deployed
- **Female managers** increased to 16% from 14%

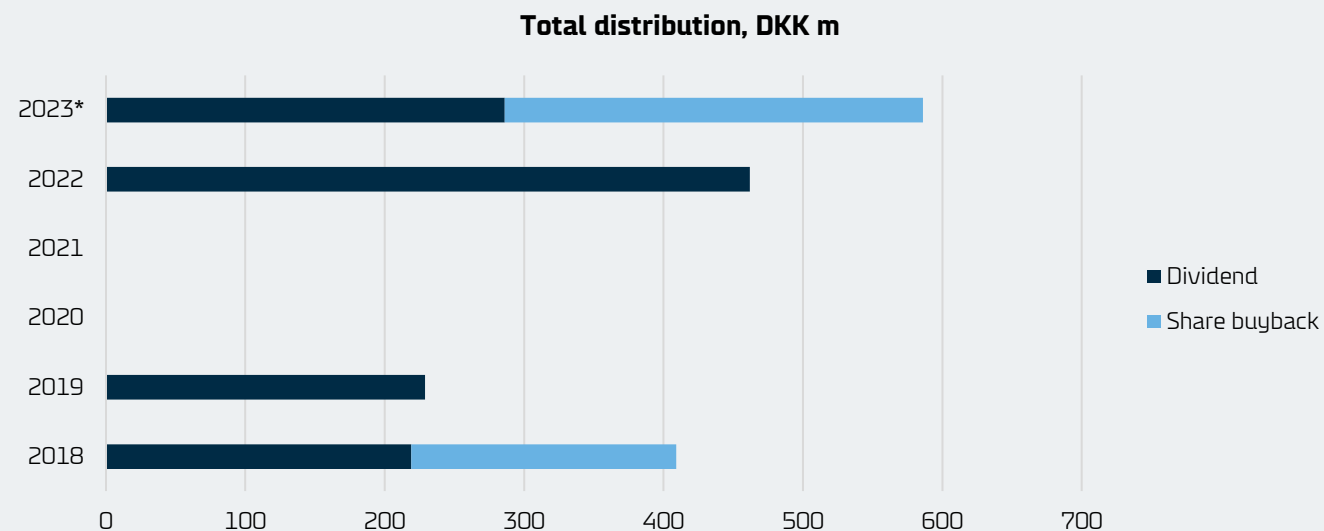


# 2023 DISTRIBUTION & OUTLOOK

# Total capital distribution increased 27% to DKK 586m

- **Capital** distribution increased based on financial position and growth prospects
- **Dividend** of DKK 286m proposed, equal to DKK 5.00 per share
- **Share buyback** of DKK 300m, Dutch Auction model
- Buyback offer period from 10 February to 21 February

Distribution to shareholders, DKK m	2018	2019	2020	2021	2022	2023*
Dividend per share, DKK	4.00	4.00	0	0	8.00	5.00
Dividend, ex. treasury shares	219	229	0	0	462	286
Buyback of shares	190	0	0	0	0	300
Total distribution to shareholders	409	229	0	0	462	586
Total distribution yield, %	2.7	1.2	0	0	3.1	n.a.





# Outlook 2023 reflects continued growth, but also headwind

- **Slowdown** in European economy assumed
- **Continued growth** expected for passenger and certain freight activities
- **Headwind** expected from war in Ukraine and Channel overcapacity
- **Revenue** expected to remain on level with 2022
- **EBITDA** range reflects mix of positive and negative drivers, not least extent of the slowdown

DKK m	Outlook 2023	2022
Revenue growth	On level	26,873
<b>EBITDA before special items</b>	<b>4,500-5,000</b>	<b>4,955</b>
<i>Per division:</i>		
Ferry Division	3,350-3,650	3,966
Logistics Division	1,200-1,400	1,066
Non-allocated items	-50	-76
Investments	-2,800	2,989
<i>Types:</i>		
Operating	-1,600	-1,838
Ferries: sale & purchase, newbuildings	0	-871
Acquisitions	-1,200	-280

McBurney acquisition included in Outlook from end Q1 2023

# Outlook 2023 reflects continued growth, but also headwind

- **Capex** expected to comprise Operating Capex of DKK 1.6bn
- No ferry purchase/sale/new-buildings expected
- **Acquisitions** of DKK 1.2bn related to McBurney Transport Group, completion assumed from end Q1 2023

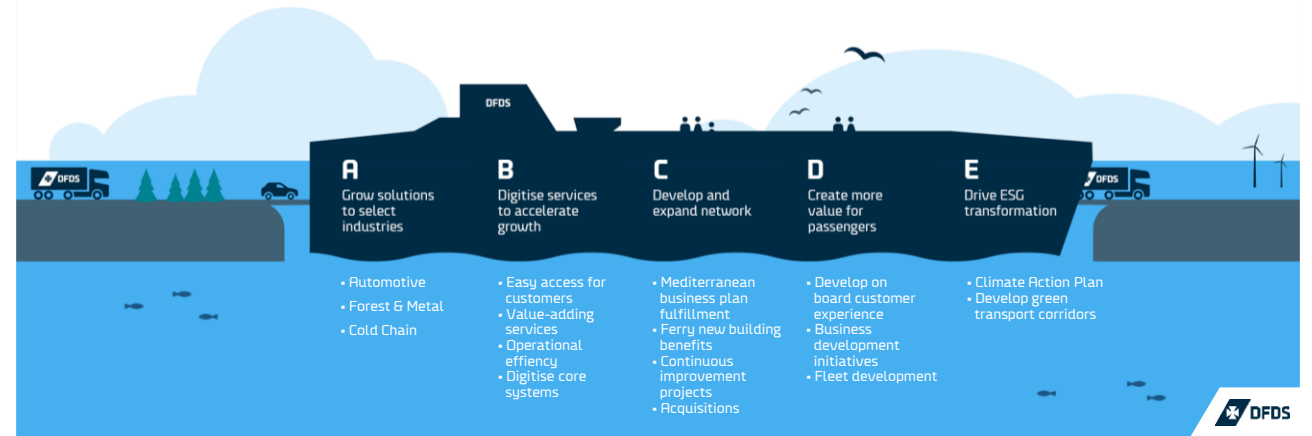
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# Key priorities going into 2023

- **Adaptation** of capacity to demand changes – as always
- **Organic** growth
- **Inorganic** growth through M&A and other initiatives
- **Cash flow** generation
- **Emission** intensity short-term reductions
- **Move green** transformation projects forward

## DFDS strategy



# Q&A

