

Solid start to 2023

Q1 2023 investor call



11 May 2023





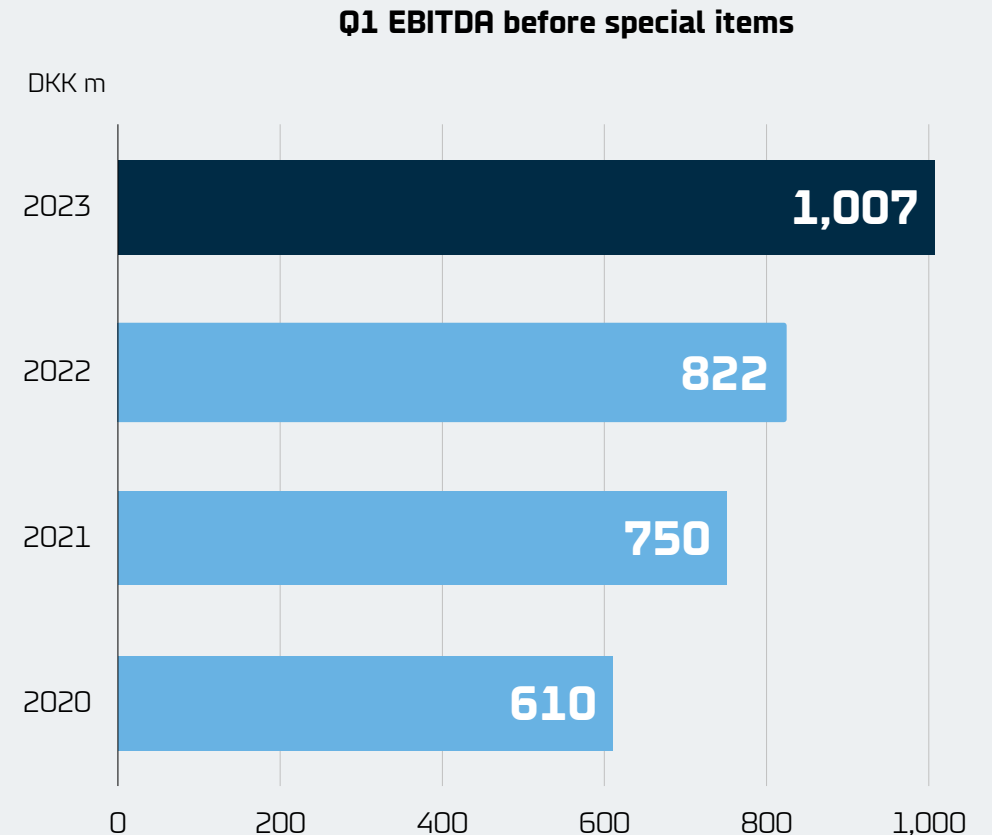
Content

- Q1 2023 overview
- Results
- ESG update
- 2023 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.

Q1 result well in line with forecast, uncertainty slowed freight volumes

- **Solid Q1** result achieved
- **Freight market** developments mixed
- Continued slowdown in Channel and Baltic Sea volumes
- **Freight ferry and logistics** results supported by higher unit revenues and margins
- **Passenger recovery** on track
- **New acquisitions** performing well



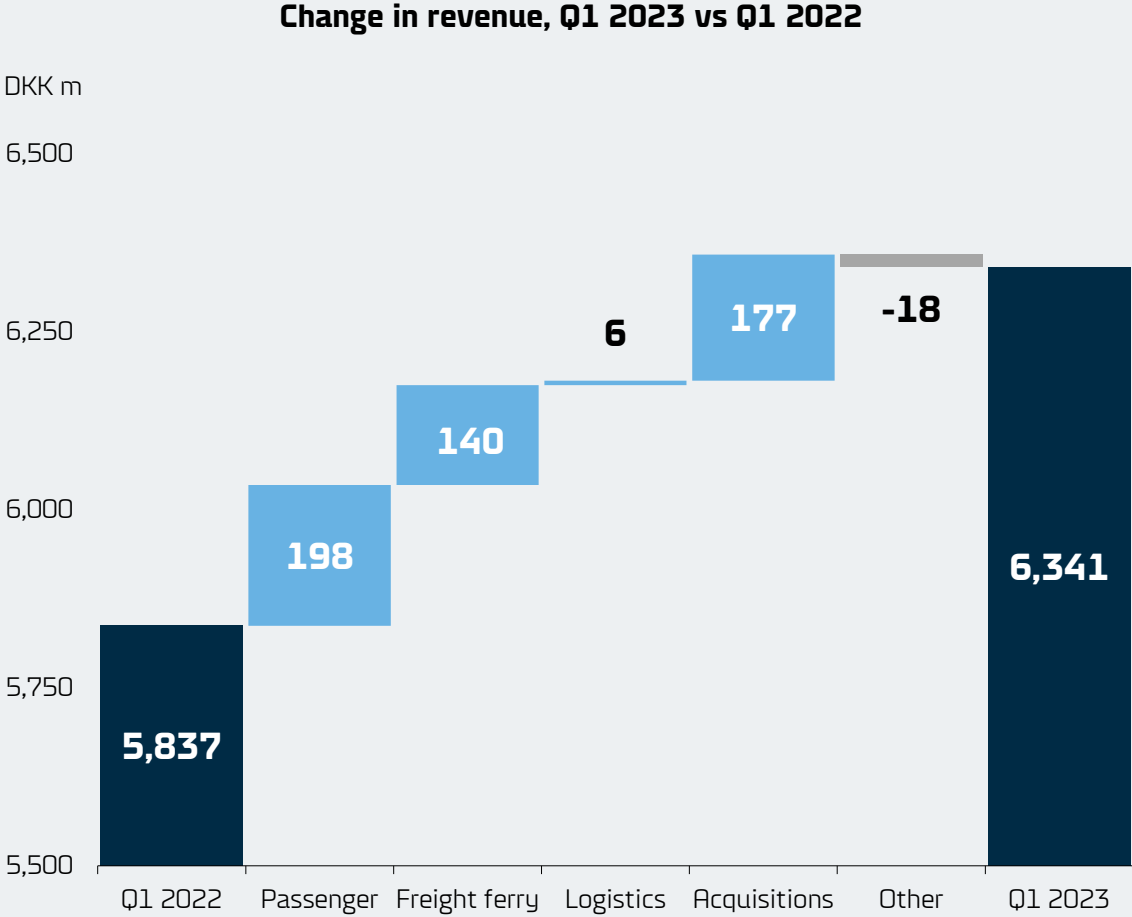
Reporting simplified to strengthen focus on overall direction

- **Reporting segments** aligned with financial statements' segments
- **Division reporting** tables expanded with additional key figures
- Financials per **business unit** no longer reported to reduce 'moving parts' complexity
- **Special items** in Income statement discontinued



Revenue – continued passenger recovery, organic freight slowdown

- **Passenger** up DKK 198m as number of passengers increased 119% driven by Covid-19 recovery
- **Freight ferry** up DKK 140m as lower volumes were offset by higher revenue per LM and bunker surcharges
- **Logistics** on level with 2022 reflecting lower volumes, especially Cold Chain. Offset from higher unit revenues and new activities/contracts
- **Acquisition** revenue of DKK 177m (DKK 109m McBurney, DKK 69m Lucey)



Q1 2023 income statement

- **EBITDA** up 23% driven by passenger recovery and higher Logistics result
- **Depreciation** up 4% or DKK 22m of which DKK 20m from acquisitions
- **EBITA** up 69% to DKK 403m, margin increased 2.3 ppt to 6.3%
- **Finance** cost up DKK 75m due to higher interest level and debt (interest-bearing and leasing) plus one-off income in 2022
- **Tax cost** includes a Turkish earthquake tax of DKK 46m

DFDS Group P/L DKK m	Q1 22	Q1 23	Δ	Δ
Revenue	5,837	6,341	503	9%
<i>Ferry Division</i>	3,482	3,820	338	10%
<i>Freight ferry</i>	3,172	3,312	140	4%
<i>Passenger</i>	310	508	198	64%
<i>Logistics Division</i>	2,666	2,849	183	7%
EBITDA	821	1,007	186	23%
<i>Margin</i>	14.1%	15.9%	1.8%	
<i>Ferry Division</i>	598	727	129	22%
<i>Freight ferry</i>	689	717	28	4%
<i>Passenger</i>	-91	9	100	-110%
<i>Logistics Division</i>	216	299	83	38%
<i>Non-allocated</i>	7	-18	-25	n.a.
Depreciation and impairment	-583	-605	-22	4%
EBITA	239	403	164	69%
<i>Margin</i>	4.1%	6.3%	2.3%	
Amortisation	-32	-41	-9	29%
EBIT	207	362	155	75%
Finance	-59	-133	-75	127%
Profit before tax	149	229	80	54%
Tax	-34	-99	-65	188%
Profit after tax	114	130	15	14%

Returns improved, Capex lowered, and leverage in target range

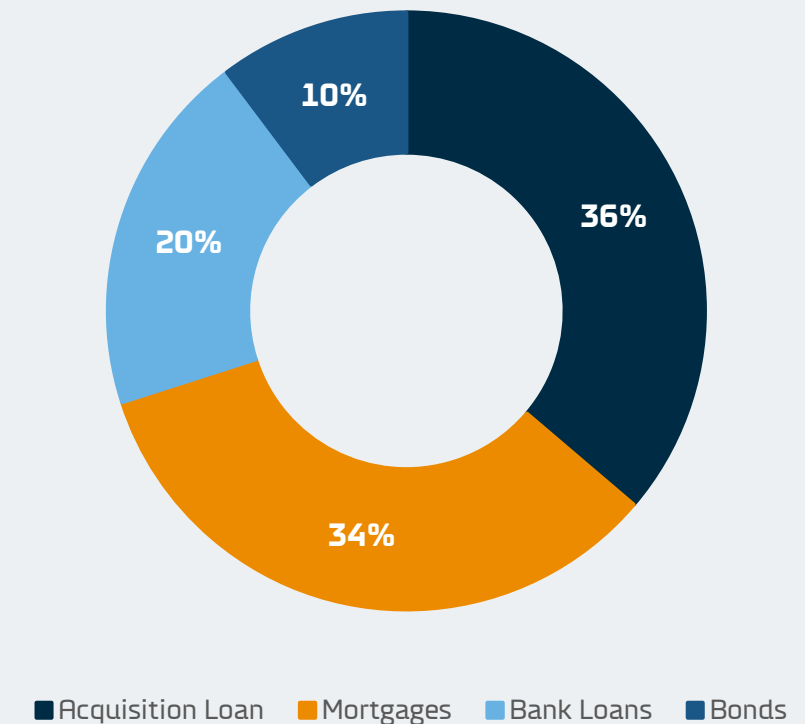
- **ROIC** before acquisition intangibles increased to 12.0% and ROIC increased to 9.0%
- **Capex** reduced by completion of newbuildings in 2022
- **Adjusted free cash flow** increased DKK 0.8bn to DKK 0.3bn. LTM cash flow at DKK 1.6bn
- **Use of funds** included acquisitions of DKK 0.9bn and capital distribution of DKK 0.6bn
- **Leverage** of 2.9 in 2.0-3.0 target range

DKK bn	Q1 2022	Q1 2023	Δ	Δ
Returns				
Invested capital, end	26.4	29.0	2.6	10%
ROIC before acquisition intangibles	6.3%	12.0%	5.7%	n.a.
ROIC	4.6%	9.0%	4.4%	n.a.
Return on equity	8.2%	16.9%	8.7%	n.a.
Cash flows				
Operating cash flow	0.7	1.0	0.3	44%
Operating investments	-0.4	-0.6	-0.1	36%
Ferries, sale/purchase/newbuildings	-0.5	0.0	0.5	-97%
Adjusted free cash flow	-0.5	0.3	0.8	n.a.
<i>Use of funds</i>				
Acquisitions	0.0	-0.9	-0.9	n.a.
Dividend and share buyback	-0.3	-0.6	n.a.	n.a.
Net financing inflow	0.8	1.1	0.3	40%
Net cash flow	0.2	0.3	0.1	n.a.
Capital structure				
NIBD	14.6	15.8	1.2	8%
NIBD/EBITDA, times	4.0	2.9	-1.1	n.a.
Equity ratio	35%	36%	0%	n.a.

Interest-bearing debt overview

- **Interest-bearing debt** of DKK 12.1 bn, excluding IFRS 16 lease liabilities
- **Bond issue** of NOK 1.5bn: NOK 1bn with 3 year maturity and NOK 500m with 5 year maturity. NOK principals and NIBOR 3M swapped to DKK/fixed rates
- **Fixed interest** debt around 50% of total
- **Average interest rate** on debt portfolio doubled from Q1 22 to Q1 23

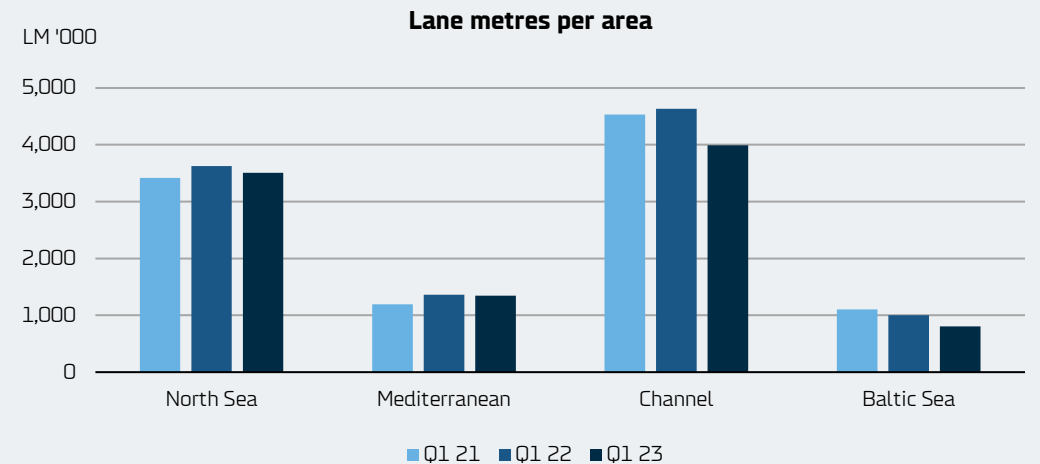
Interest-bearing debt, excl. lease liabilities, Q1 2023



Ferry Division – passenger growth, freight navigates lower volumes

- **Q1 EBITDA** up 21% to DKK 727m driven by passenger recovery
- **Ferry freight** EBITDA up 4% to DKK 717m as 9% lower volumes were offset by higher unit revenues
- **Freight volume** decrease of 9% driven by Channel -14% and Baltic Sea -20%
- **Passenger** EBITDA up DKK 100m to DKK 9m driven by 119% more passengers. Result on level with 2019

DKK m	Q1 22	Q1 23	Δ	Δ
Revenue	3,482	3,820	338	10%
<i>Freight ferry</i>	3,172	3,312	140	4%
<i>Passenger</i>	310	508	198	64%
EBITDA	598	727	128	21%
<i>Margin</i>	17.2%	19.0%	1.8%	
<i>Freight ferry</i>	689	717	28	4%
<i>Passenger</i>	-91	9	100	n.a.
EBITA	161	293	132	82%
<i>Margin</i>	4.6%	7.7%	3.0%	
ROIC before acquisition intangibles, %	6.1	13.2	7.1	n.a.

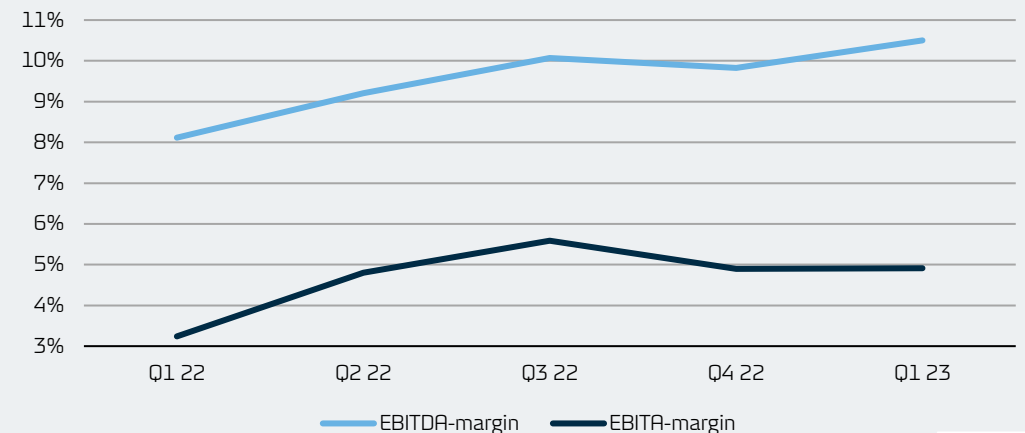


Logistics Division – earnings improved by organic & acquisition growth

- **Q1 EBITDA** up 38% to DKK 299m and up 21% adjusted for acquisitions
- **Dry Goods** revenue up 6% adjusted for Lucey acquisition. Increase driven by uplift in Scandinavia-Belgium corridor and new activities
- **Cold Chain** revenue down 6% adjusted for McBurney acquisition. Decrease reflects lower meat volumes
- **Margins raised** by improved haulage supply/demand balance as well as capacity and balance measures

DKK m	Q1 22	Q1 23	Δ	Δ
Revenue	2,666	2,849	183	7%
<i>Dry Goods</i>	1,418	1,562	144	10%
<i>Cold Chain</i>	1,251	1,278	27	2%
Gross profit	816	985	169	21%
<i>Margin</i>	30.6%	34.6%	4.0%	
EBITDA	216	299	83	38%
<i>Margin</i>	8.1%	10.5%	2.4%	
EBITA	80	140	60	75%
<i>Margin</i>	3.0%	4.9%	1.9%	
ROIC before acquisition intangibles, %	13.4	14.8	1.4	n.a.

Logistics Division, EBITDA & EBITA margins



Key Q1 ESG actions

- **Ferry** CO2 emission intensity reduced 7% across route network in line with Climate Action Plan
- 27 of 125 ordered **e-trucks** deployed in Q1 – deployment expected to double by end Q2
- **Solar panel** installations completed in Winterswijk and Neuenkirchen-Vörden
- **ESG targets** for CO2 emissions, safety, and female representation added as components to all bonus programs



3,000 m² solar panel installation in cold chain facility in Neuenkirchen-Vörden in Germany

2023 OUTLOOK

Outlook for 2023 unchanged

- **Outlook** in line with current expectations for European economy
- **Ferry Division EBITDA** still expected below 2022 due to freight slowdown, Ukraine war, and Channel overcapacity
- **Logistics Division EBITDA** expectation unchanged above 2022 driven by operational flexibility and positive acquisition impacts
- **Capex** outlook unchanged

DKK m	Outlook 2023	2022
Revenue growth	On level	26,873
EBITDA before special items	4,500-5,000	4,955
<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

Key current priorities for 2023

- **Monitor activity closely and adapt** capacity to demand changes – as always
- **Organic** growth
- **Growth** through M&A and other initiatives
- **Cash flow** generation
- **Emission** intensity short-term reductions and safety improvements
- **Move green** transformation projects forward



Q&A

