UPDATE AND DIGITAL JOURNEY

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CFO

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DFDS

Contents

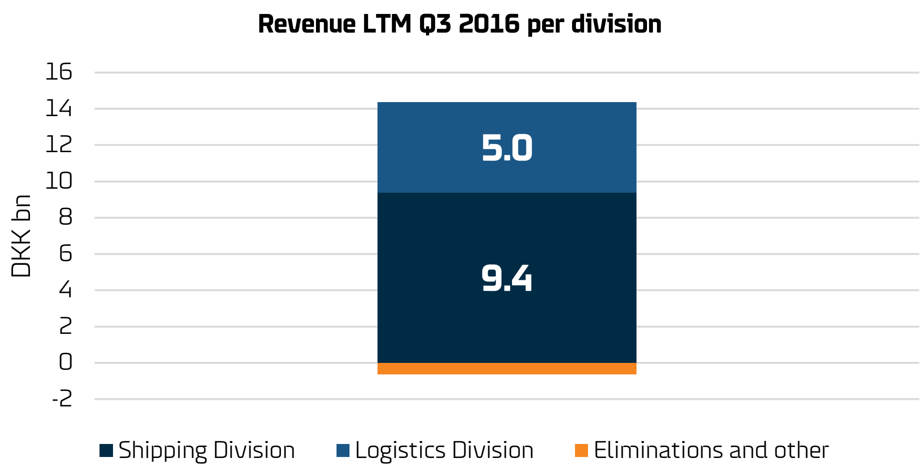
The statements about the future in this announcement contain risks and uncertainties.

This entails that actual developments may diverge significantly from statements about the future.

DFDS overview

DFDS GROUP

People & Ships	Finance
SHIPPING DIVISION • Ferry services for freight and passengers • Port terminals	**LOGISTICS DIVISION** • Door-door transport solutions • Contract logistics

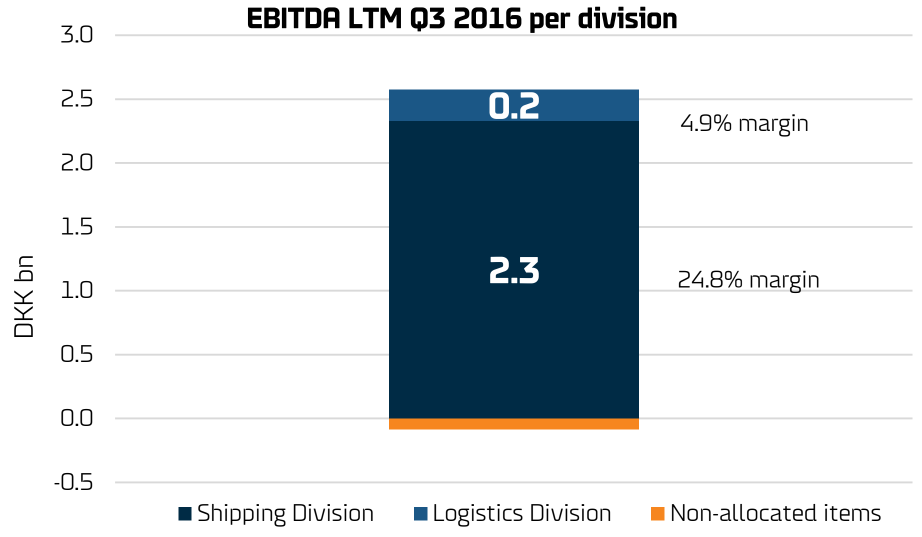


DFDS facts

- Founded in 1866
- Activities in 20 European countries
- 6,900 employees

Shareholder structure

- Lauritzen Foundation: 42.5%
- DFDS: 4.9%
- Free float: 52.6%
- Listed: Nasdaq Copenhagen
- Foreign ownership share: ~30%
- Average daily trading 2016: DKK 26m (EUR 3.5m)



Freight, logistics and passengers – focus northern Europe

	Freight routes	Logistics Solutions	Passenger Routes
Key services	▪ **Trailers**, unaccompanied & accompanied ▪ **Industry** solutions ▪ **Port** terminals	▪ **Door-door full & part loads** ▪ **Contract logistics**	▪ **Travel by car** ▪ Short sea ▪ Transport/holiday ▪ Cruise ferry

Freight

Share of revenue

80% freight

20% pax

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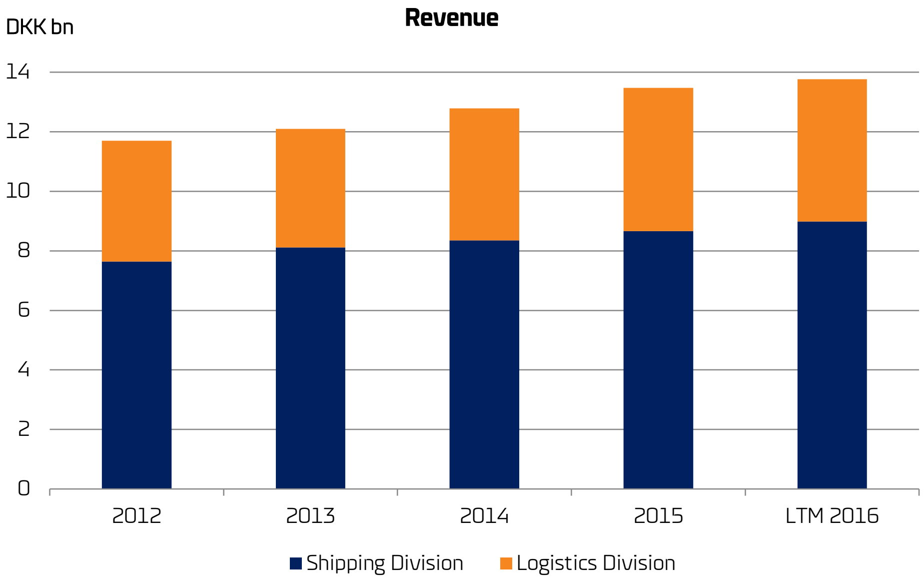
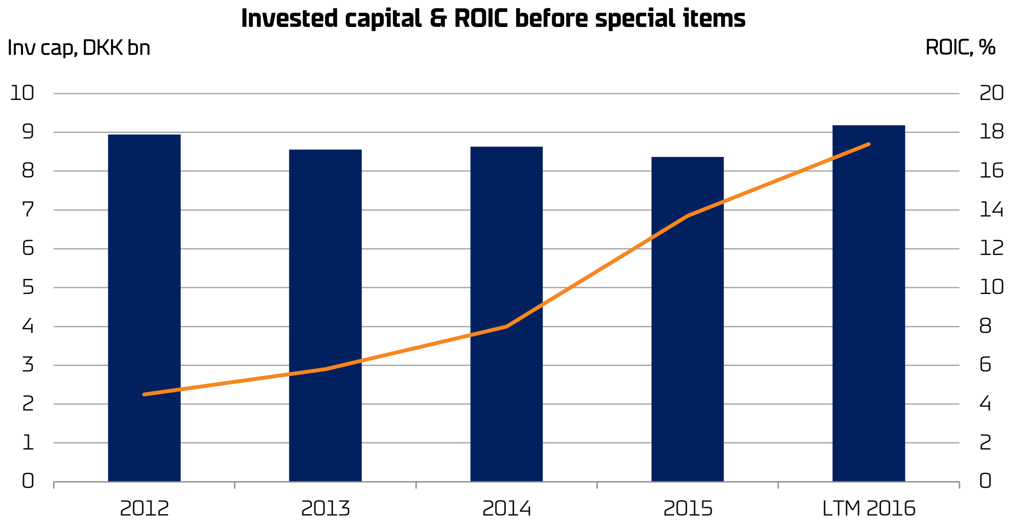
DFDS route network

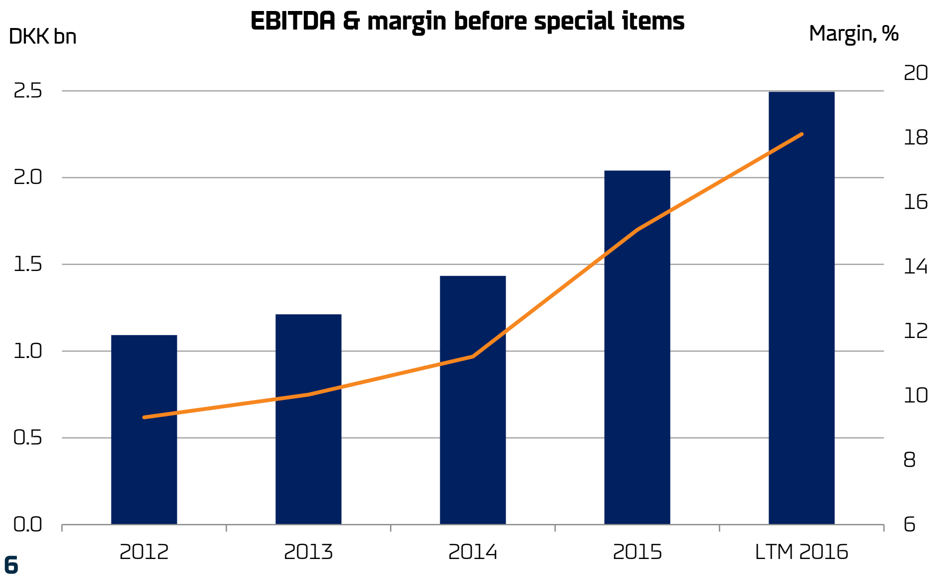
- an integrated part of Europe's infrastructure

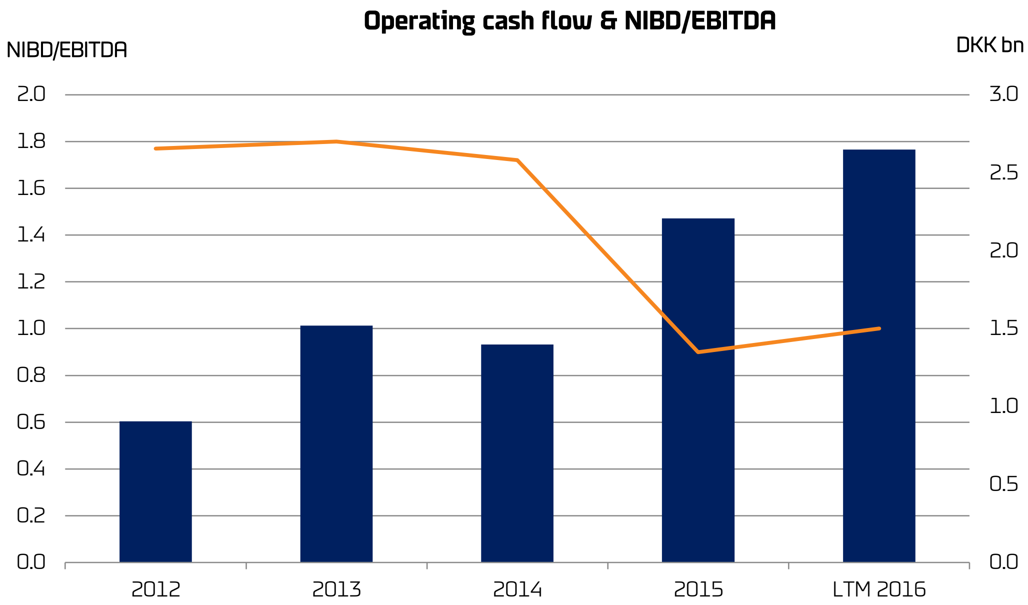
Logistics office/warehouse
Container/sideport route

EBITDA increased to DKK 2.5bn LTM – ROIC now at 17%



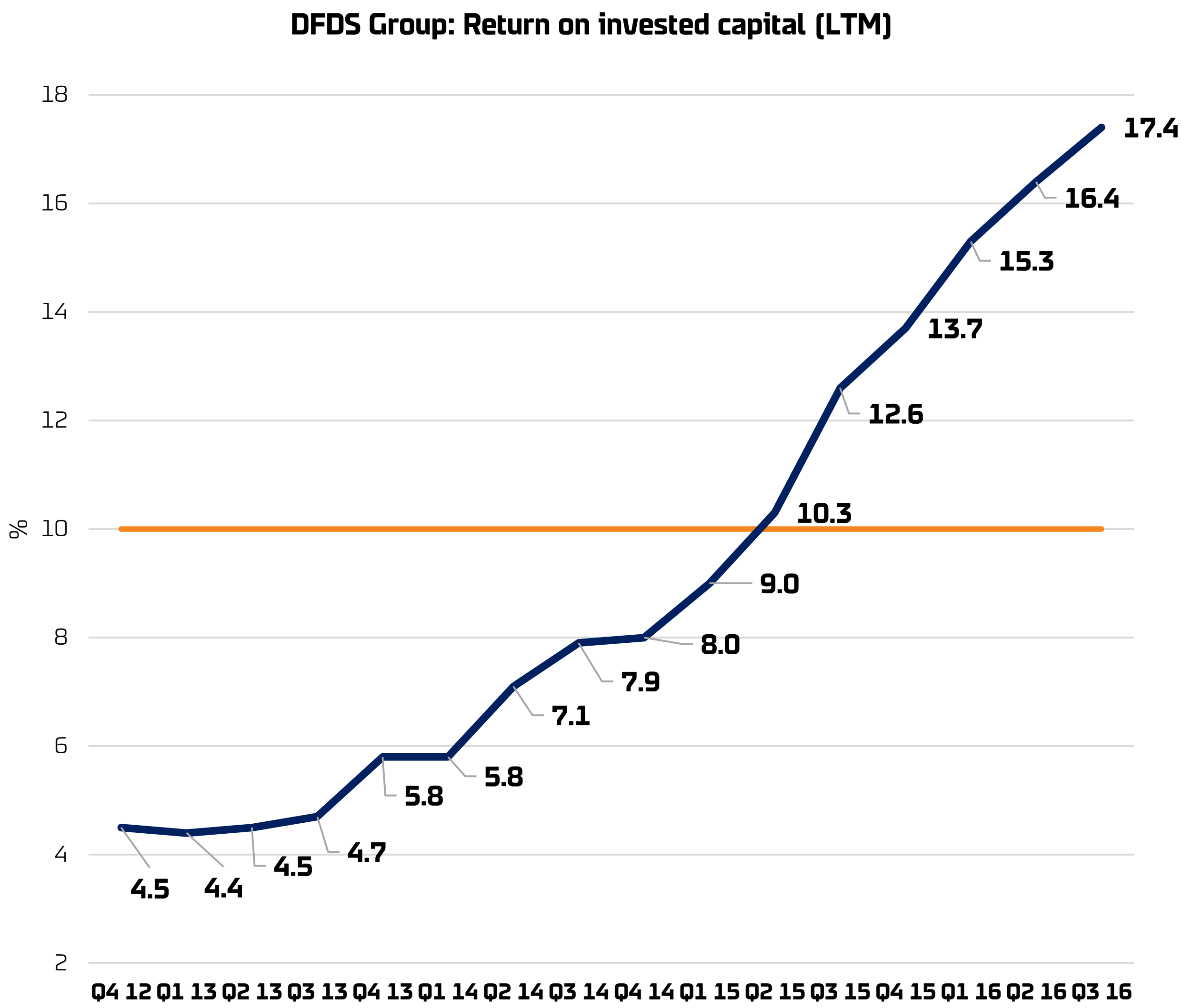






Steady ROIC improvement

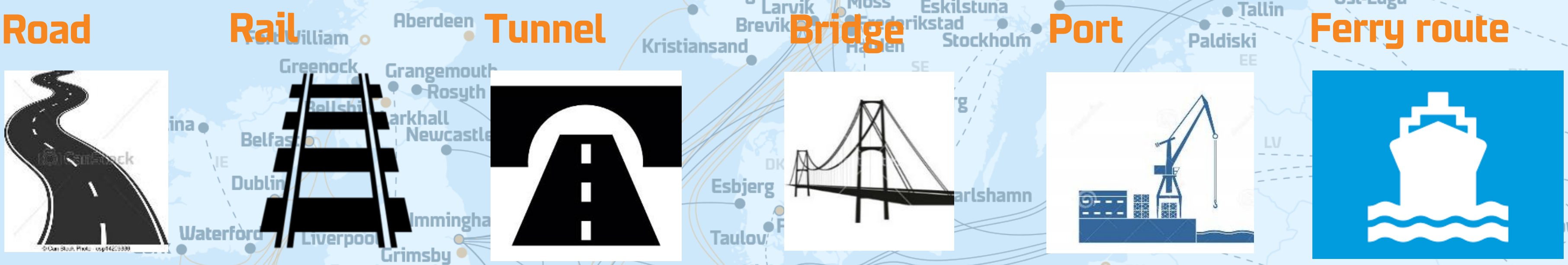
- **Major challenges resolved:**
  - Gothenburg-Immingham: entry/exit competitor, Jan 2012 – Mar 2013
  - Russian market sanctions from Jan 2014
  - Channel turnaround from 2012
  - Closure of 3 routes end 2014
  - Successful transition to new Sulphur rules
- **Continuous improvement projects**, > 3 every year
- **ROIC Drive** programme
- Tailwind from moderate **pick-up in EU growth** since 2014
- ROIC requirement applicable for all investments, including acquisitions



IT'S ALL ABOUT THE ROUTE

Ferry routes are infrastructure in N. Europe

- there are around 100 international ferry routes in N. Europe. 19 are operated by DFDS



Ferry route capacity dynamics

- entry barrier for rational competitor

Route	No. of ships on route today	Minimum required no. of ships for entry	Capacity impact of entry*
Dover-Calais	9	3	33%
Gothenburg-Immingham	3	2	67%
Fredericia-Copenhagen-Klaipeda	1	1	100%

* Assuming entered ships are identical to incumbent ships and same no. of departures per ship

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Overall fairly stable competitive landscape

- **Regional** market structure of ferry companies
- **Competitive stability** in ferry market supported by capacity dynamics and port ‘bottlenecks’
- Limited greenfield activity due to mature market
- **Consolidation** among ferry operators is driven by scale synergies and foreseen to continue
- Size of new buildings is increasing to reduce unit costs

MARKET DEMAND FOR FREIGHT AND PASSENGER SERVICES

ROUTE LOCATION

SHIPS MATCHING CUSTOMER AND LOCATION DEMANDS

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3 key strategic demands

1. Top line focus

2. Increase efficiency and reduce cost base

3. Acquisitions and investments for future growth

Continuous improvement projects

M&A

IT systems development

Fleet strategy

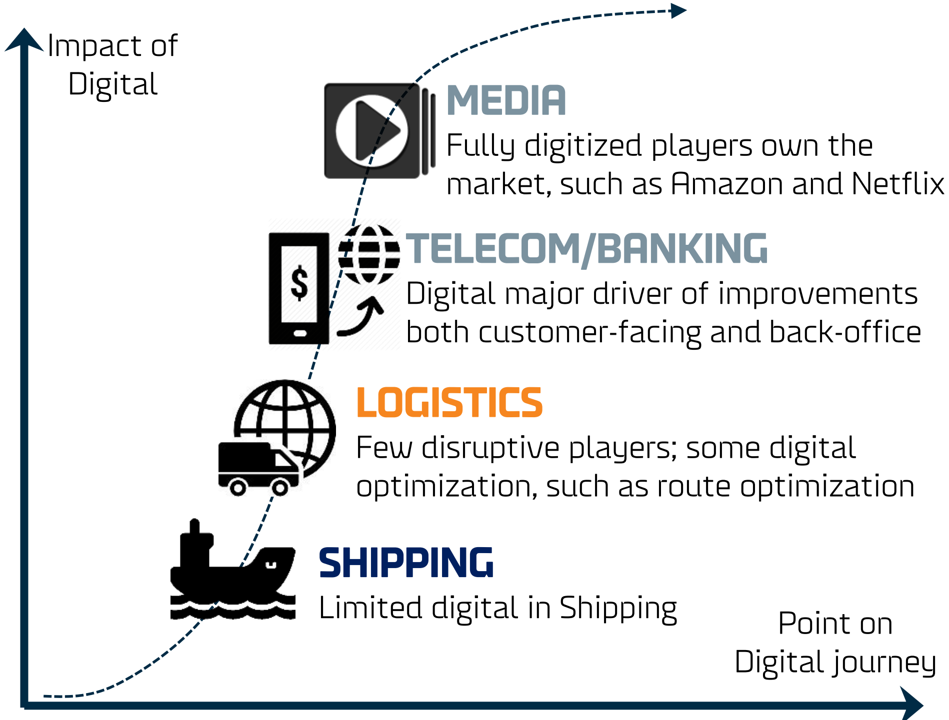
Digital

DFDS WAY 2.0

DFDS' DIGITAL JOURNEY

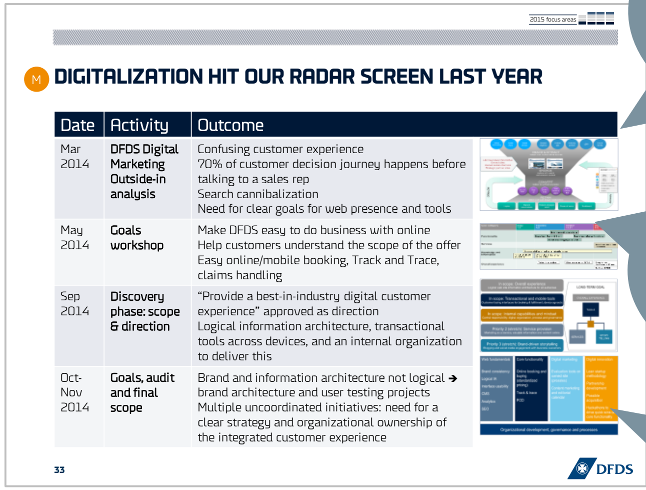
DFDS' digital journey started in 2014

OUR INDUSTRY is still among the **LEAST DIGITAL…**



Source: BCG Perspectives, 2016

DIGITAL: a **KEY FOCUS AREA** for DFDS since 2014…



2015 focus areas

DIGITALIZATION HIT OUR RADAR SCREEN LAST YEAR

Date	Activity	Outcome
Mar 2014	**DFDS Digital Marketing Outside-in analysis**	Confusing customer experience 70% of customer decision journey happens before talking to a sales rep Search cannibalization Need for clear goals for web presence and tools
May 2014	**Goals workshop**	Make DFDS easy to do business with online Help customers understand the scope of the offer Easy online/mobile booking, Track and Trace, claims handling
Sep 2014	**Discovery phase: scope & direction**	"Provide a best-in-industry digital customer experience" approved as direction Logical information architecture, transactional tools across devices, and an internal organization to deliver this
Oct-Nov 2014	**Goals, audit and final scope**	Brand and information architecture not logical → brand architecture and user testing projects Multiple uncoordinated initiatives: need for a clear strategy and organizational ownership of the integrated customer experience

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Source: DFDS Digital Marketing Analysis, 2014

Confusing customer experience

No ways of doing business on mobile devices

Website out of date and lack of technical foundation

Current landscape provides both opportunities and threats for DFDS

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The world is changing

Freight aggregators
FREIGHTOS
iContainers
freightfilter
Transporteca
XENETA
Freightex

Freight forwarders
shipster
shipwise
FLEXPORT
WEFT
clearmetal

3PL
Shipwire
shipwise
cloud fulfilment

Trucking/Haulage
cargomatic
KEYCHAIN LOGISTICS

Crowd accomodation
airbnb
STAYFUL

Freight Routes

- **Shipping of trailers,** unaccompanied & accompanied
- Industry solutions
- Port terminal services

Logistics

- **Door-door full** & part **load solutions**
- Contract logistics solutions

Passenger Routes

- **Ferry services for travellers in own car**
- Short sea transport
- Holiday travel
- Cruise ferry experience

Freight

Crowd shipping
UberCARGO
PiggyBee
nimber

Outside the box
SENSORS ROBOTICS
AUTONOMOUS VEHICLES
3D PRINTING

Experience as a gift
smartbox
GROUPON

Travel aggregators
momondo
Expedia
ferrylines.com
aferry.co.uk

Travel assistants
yelp
tripadvisor
TripIt from Concur
FOURSQUARE

Experience aggregators
Greatlittlebreaks
Foodspotting
secret Escapes

Our digital vision

A **best-in-industry digital experience** for customers generating tangible business benefits for **customers and DFDS**

Digital strategy

- IT systems must support digital
- Enhance operational efficiency
- Digital customer solutions
- Digital awareness and competencies
- Digital business model innovation

Focus on “core” and “extended” in our activity split

CORE

- Integrated bookings
- DFDS.com (and rest of web presence)
- Track & Trace
- Email broadcast
- Analytics
- SEM
- CRM
- App (PAX)
- Social media

EXTENDED

- Sign on glass [PODs]
- Marketing automation
- Digital check-in (freight)
- Global moderation
- Predictive analytics
- Etc.

MOONSHOTS

- Logistics software as a service
- 3D printing supply chain
- Crowd-sourced drivers
- Freight rates aggregation

Digitizing our existing business

Business model innovation

Digital transformation

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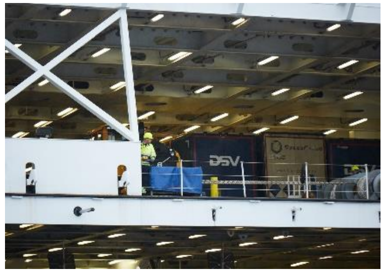
DFDS' digital journey – wrap-up

- We are well on our way

- We see significant value creation opportunities through enhanced customer focus, experience and satisfaction…



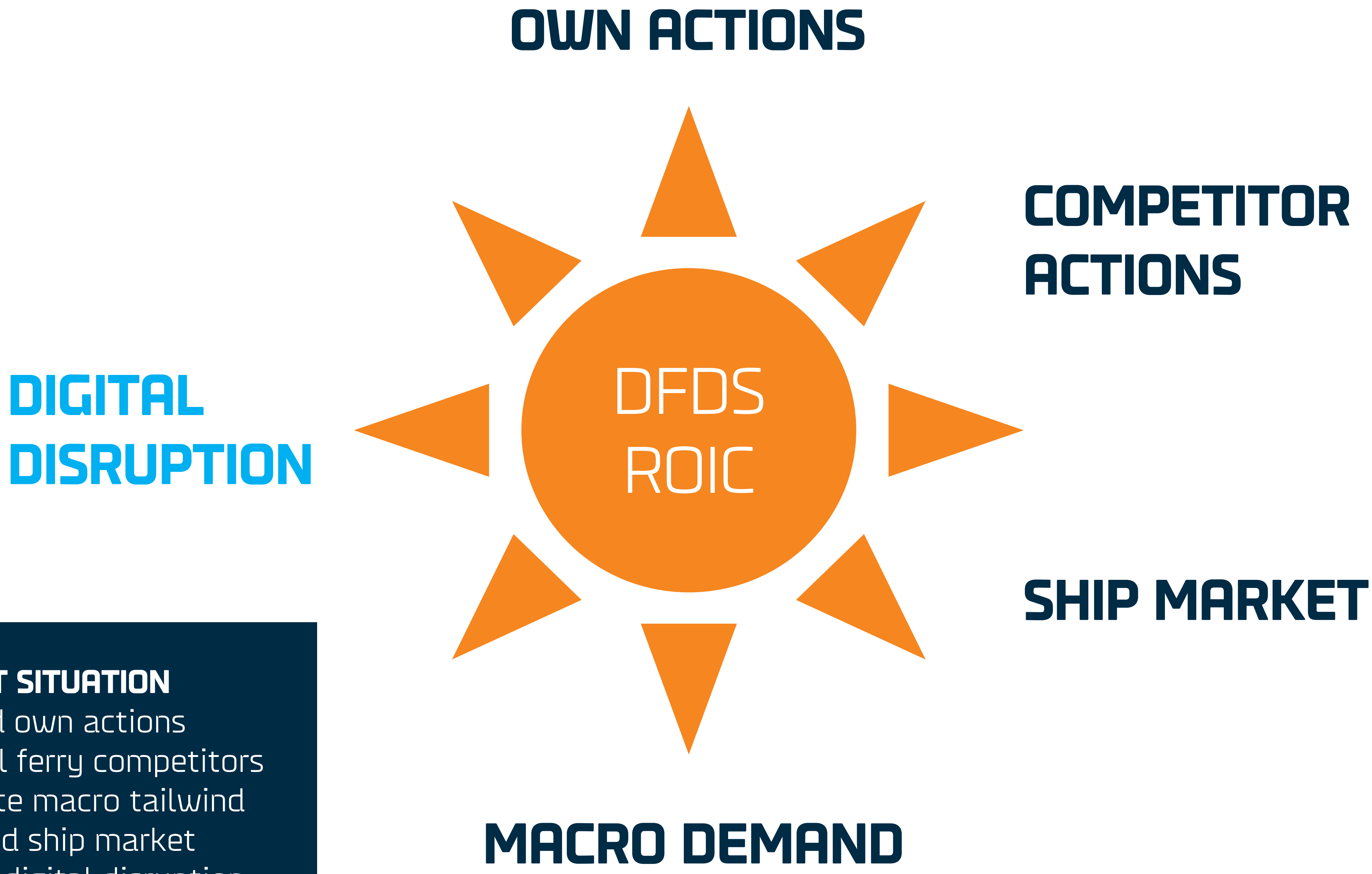
- …and through more efficient operations

- Our continuous improvement culture, helps drive our digital transformation

SWEET SPOT OR BUSINESS AS USUAL?

Forces shaping our ROIC potential

DFDS ROIC – sweet spot or business as usual?



CURRENT SITUATION

- Focused own actions
- Rational ferry competitors
- Moderate macro tailwind
- Balanced ship market
- Limited digital disruption

Overview of continuous improvement projects

	Goals	2016 target
CFI	▪ Increase customer satisfaction; grow top-line through improved customer retention and acquisition	▪ Improve overall performance and NPS scores ▪ DKK 100m additional business from customers ▪ CFI reboot in selected units, raise lowest performers
Value Selling	▪ Improving sales and sales management at DFDS ▪ 285+ active sales staff monitored	▪ 75% achieve Gold status, 15 Platinum certifications ▪ 6 reinforcement workshops in units ▪ New CRM system live Q2 16, value selling integrated
Light Capital	▪ Reduce cash tied up in working capital	▪ Reduce working capital by DKK 500m in total since 2013 target established
One Finance	▪ Ensure top quartile finance shared service center performance	▪ Optimise organisation to achieve actual savings end 2016 of DKK 15-20m, achieve targeted satisfaction scores
IT	▪ Roll out Velocity ▪ Roll out Seabook	▪ All unaccompanied trailer operations live in 2016 ▪ Full implementation BUP, LS Retail BUC
Toplight	▪ Prepare for Digital ▪ Improve yield per capacity unit	▪ Complete Toplight 1-3 ▪ Review sales organistion and structure for 2017
Project 250	▪ Procurement: total EBIT improvement of DKK 250m from 2014-2016	▪ Achieve additional run rate savings of DKK 50m in 2016
Boost projects	▪ Short term profit enhancement projects in Logistics	▪ Italy, Ireland, Scotland/Grimsby integration, Haulage

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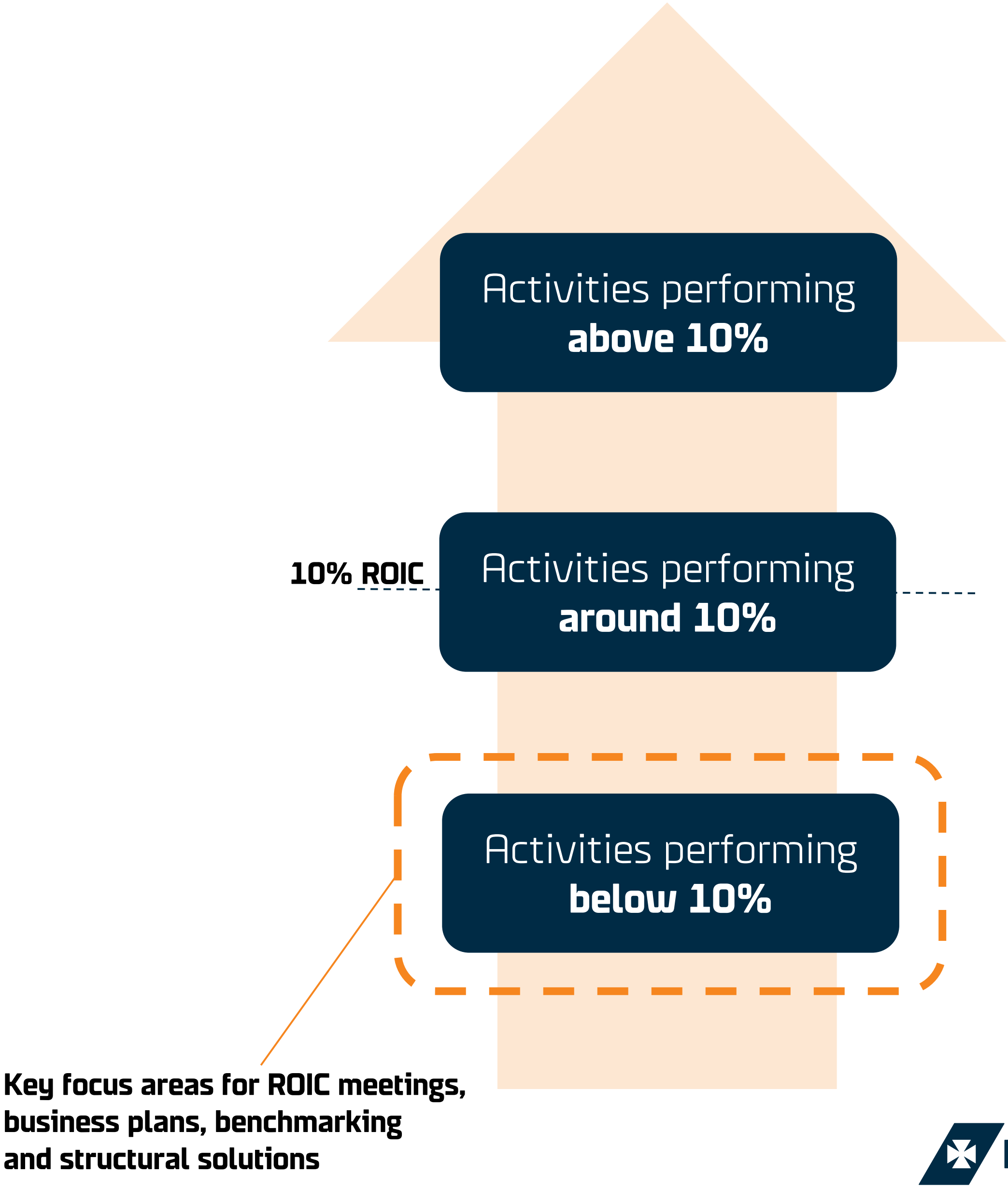
ROIC Drive – activity by activity performance benchmark

- **ROIC Drive** programme's Group benchmark is a ROIC of at least 10% through cycle
- Around 90 profit-generating activities covered by programme
- Simple ROIC scorecard makes programme accessible for activity managers
- 3-year high-level rolling business plans, review meetings with top management
- Internal performance ranking and benchmarking



3 key strategic demands

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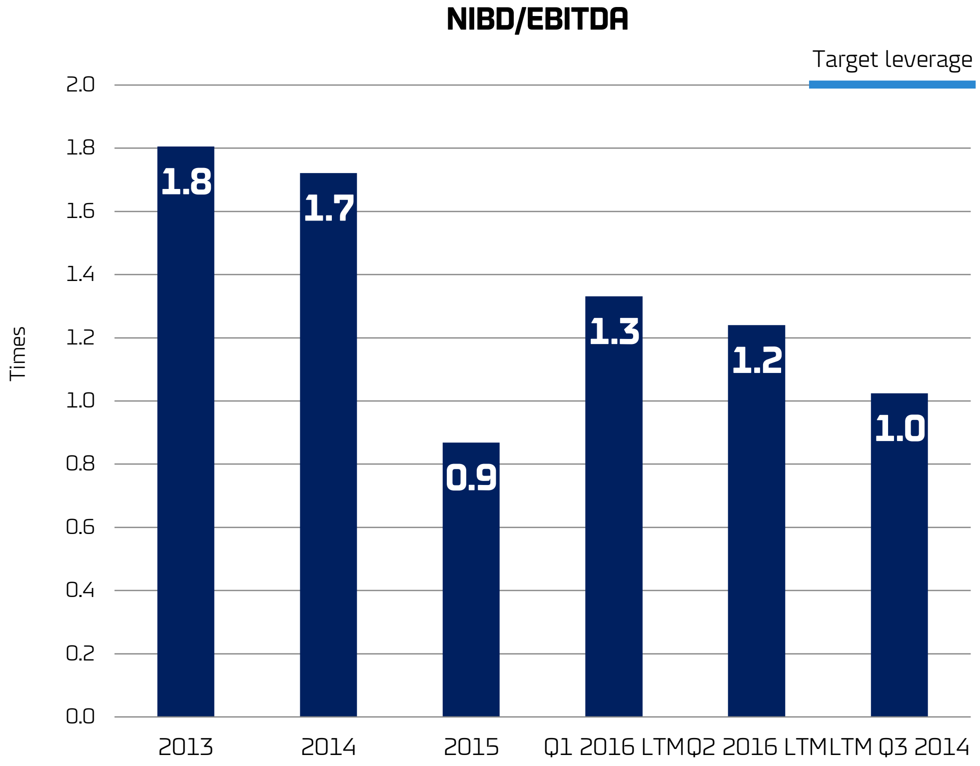
DFDS WAY 2.0

Capital distribution set to increase to reach target...

Capital distribution overview

DKK m	**2016**	**2015**
Buyback 1	400	101
Buyback 2	250	300
Buyback 3	271	n.a.
Total share buyback	**921**	**401**
Dividend[1], Apr	175	218
Dividend[1], Aug	174	108
Total dividend[2]	**349**	**326**
Total distribution	**1,270**	**727**

[1] Excluding treasury shares



LTM: Last twelve months

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Q&A

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