

A man with a beard and glasses, wearing a high-visibility yellow vest over a dark long-sleeved shirt, is operating a forklift in a large warehouse. The forklift is lifting a tall stack of blue plastic crates. The warehouse has a high ceiling with metal beams and corrugated metal walls. The text "Set for further growth" is overlaid in large white letters on the left side of the image.

Set for further growth

28 February 2022





Content

- About DFDS
- FY and Q4 overview
- 2022 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.

We provide

Ferry services

Freight and passenger routes plus port & rail services



Logistics solutions

Freight forwarding and contract logistics

Our purpose



By moving freight and passengers reliably and efficiently, we provide vital services for trade and travel in and around Europe



Sustainable trade and travel is our future

We move for all to grow



We care about people – the safety and wellbeing of our passengers and colleagues as well as a culture of diversity and inclusion



We grow by partnering and innovating with our customers

DFDS' ferry and logistics network

- DKK 18bn revenue
- DKK 3.4bn EBITDA
- 10,000 employees
- 26 routes – incl.
9 passenger routes
- 8 port terminals
- 60+ logistics locations



Our business model

DFDS' business model combines ferry services and logistics solutions to facilitate trade and travel between people and businesses. The ferry routes are a vital part of Europe's transport infrastructure. The logistics solutions range from door-door transports to complex supply chain

management. Logistics solutions often include ferry services, and 9% of our freight ferry volumes were carried for our own Logistics Division in 2021 with a share of up to 25% on some routes.

Ferry routes



Door-door solutions

For dry goods and cold chain



Contract logistics

For dry goods and cold chain



Support



Custom solutions



Warehouse



Temperature-controlled warehousing

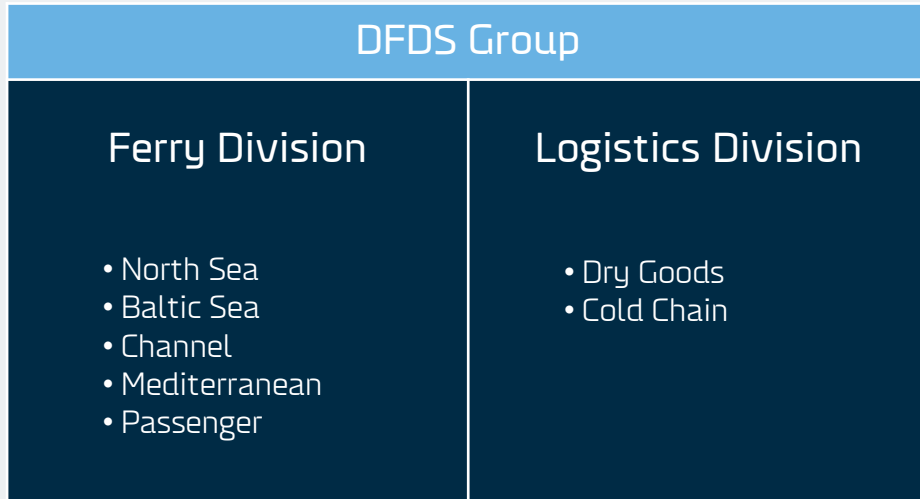
Roll on, roll off – freight ferry business model



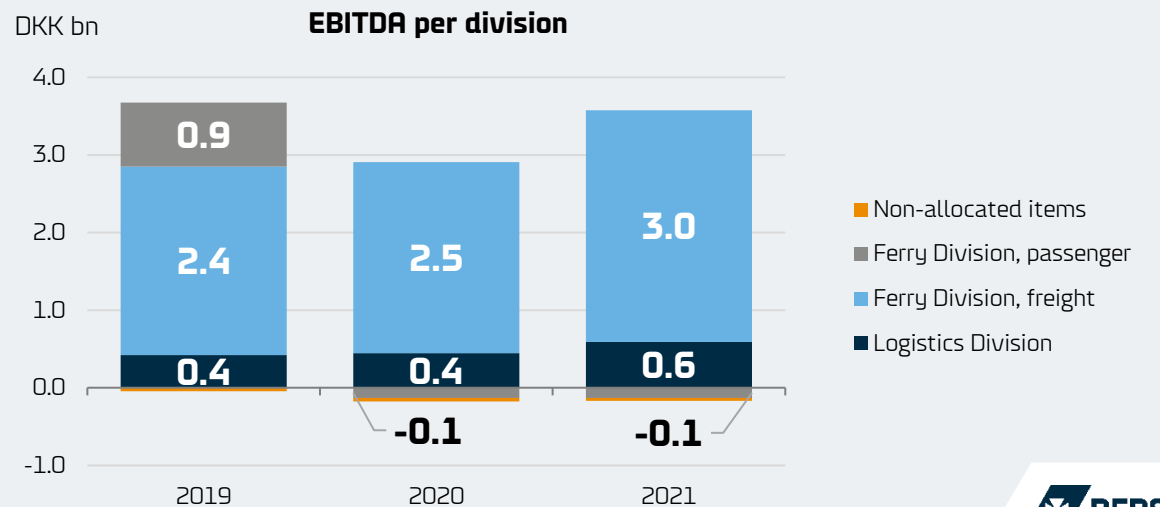
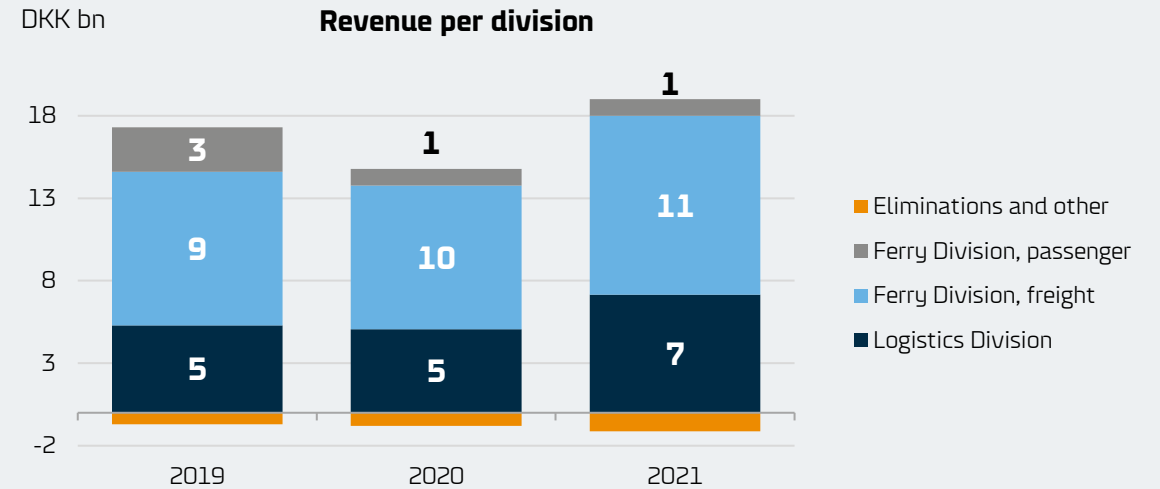
- Ro-ro/ro-pax shipping: roll on, roll off of freight units and passenger cars
- Routes carry both unaccompanied and accompanied trailers
- Our largest freight ferries can carry 450 trailers equal to 6.5 km of deck length



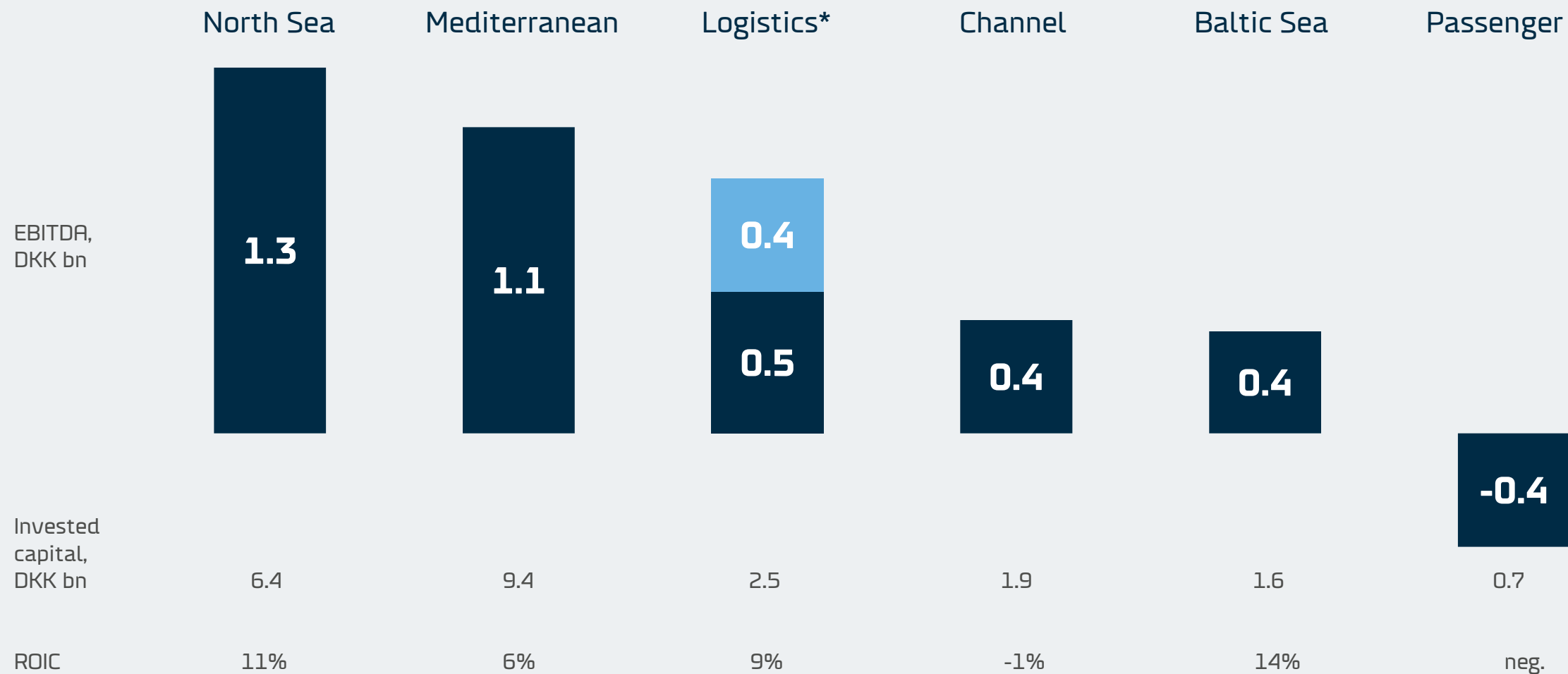
DFDS structure, ownership and earnings split



- Founded in 1866
- Lauritzen Foundation holds 42% of the share capital



Business units – EBITDA, invested capital and ROIC, 2021



DFDS strategic profile summary

UNIQUE FERRY INFRASTRUCTURE AND LOGISTICS SOLUTIONS

- **Transport corridors** combining ferry infrastructure and logistics solutions
- Strategic **port terminal** hubs and **rail** connections
- Logistics solutions for **dry goods and cold chain**
- **Passenger** ferry services in corridors with travel demand

CREATING VALUE THROUGH GROWTH

- Organic GDP **growth**, commercial initiatives and M&A
- Business model **scaling**: network, people, assets & systems
- **ROIC** mindset, capital discipline
- Excess **capital** to shareholders
- **Well invested** asset base ahead of de-carbonisation

PRIORITISING ESG

- **Zero-emission** 2050 footprint ambition
- 45% emission **reduction** by 2030
- **Diversity & Inclusion** key priorities in Caring Employer strategy
- **Transparency**, compliance and code of conduct driven

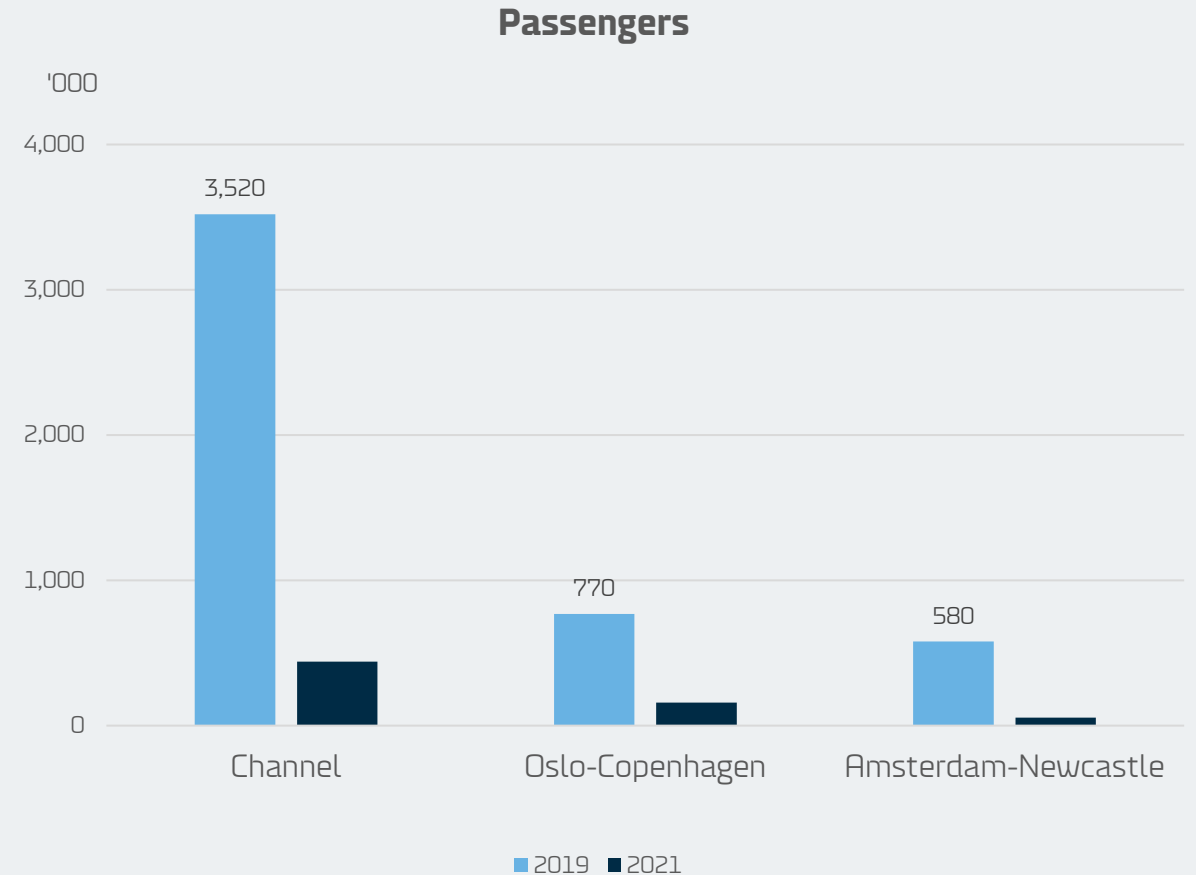
Possible impacts from Ukraine conflict

- Ferry routes in Baltic Sea carry freight volumes related to Russia and CIS countries
- Main Logistics exposure is newly acquired ICT Logistics specialised in transport solutions to Russia and CIS countries, including Ukraine and Belarus
- Logistics offices in Kiev and Russia
- Indirect impacts from, e.g. European economic growth, oil price development, truck driver availability



Normalisation of passenger travel and volumes

- Three passenger activities key for normalisation:
 - Oslo-Frederikshavn-Copenhagen (OFC)
 - Amsterdam-Newcastle (AN)
 - Channel
- **OFC** passengers mix of holiday and leisure, of which around 125k overseas passengers
- **AN** passengers mix of holiday and transport
- **Channel** passengers mix of transport and holiday



Integration of HSF Logistics Group on track

- **HSF** Logistics Group consolidated from 14 September
- DKK 75m of synergies expected with full run-rate impact from end 2023
- Five integration focus areas:
 - Commercial
 - Operations
 - Procurement
 - IT
 - Business support



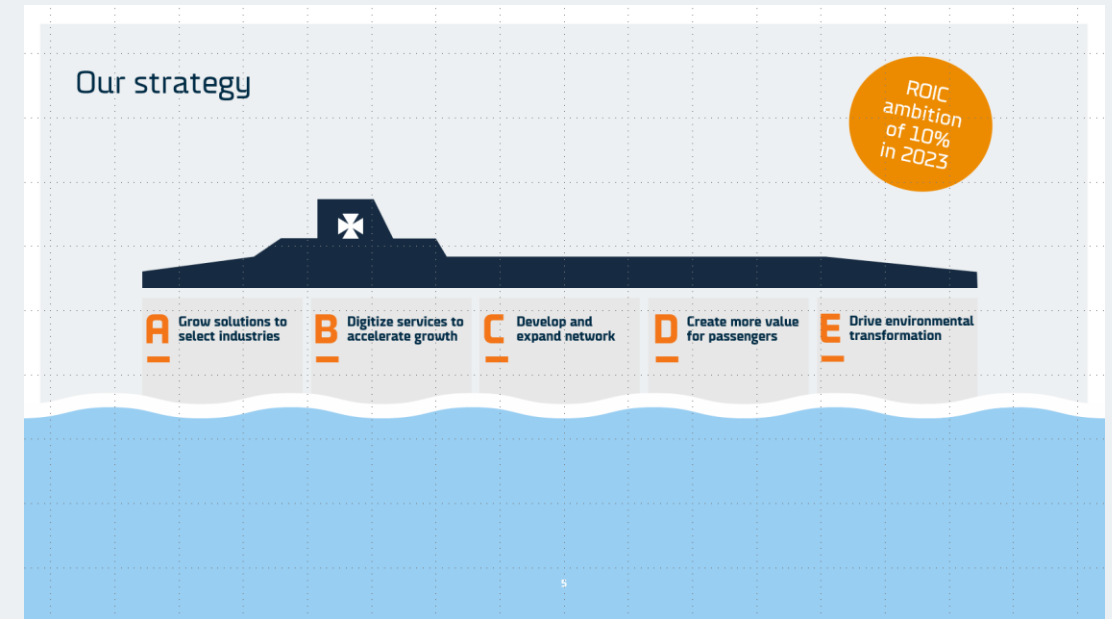
Key ESG focus areas in 2022

- Choice of **fuel type** for first generation green freight ferries
- Ferry **engine technology** development
- Green **fuel availability** – partnerships and commitments
- Deployment of **electric trucks**
- Raise **female gender ratio** further, especially for specific job types
- New strengthened **Health & Safety** organisation to improve awareness and enforce preventive actions



Key strategy focus areas in 2022

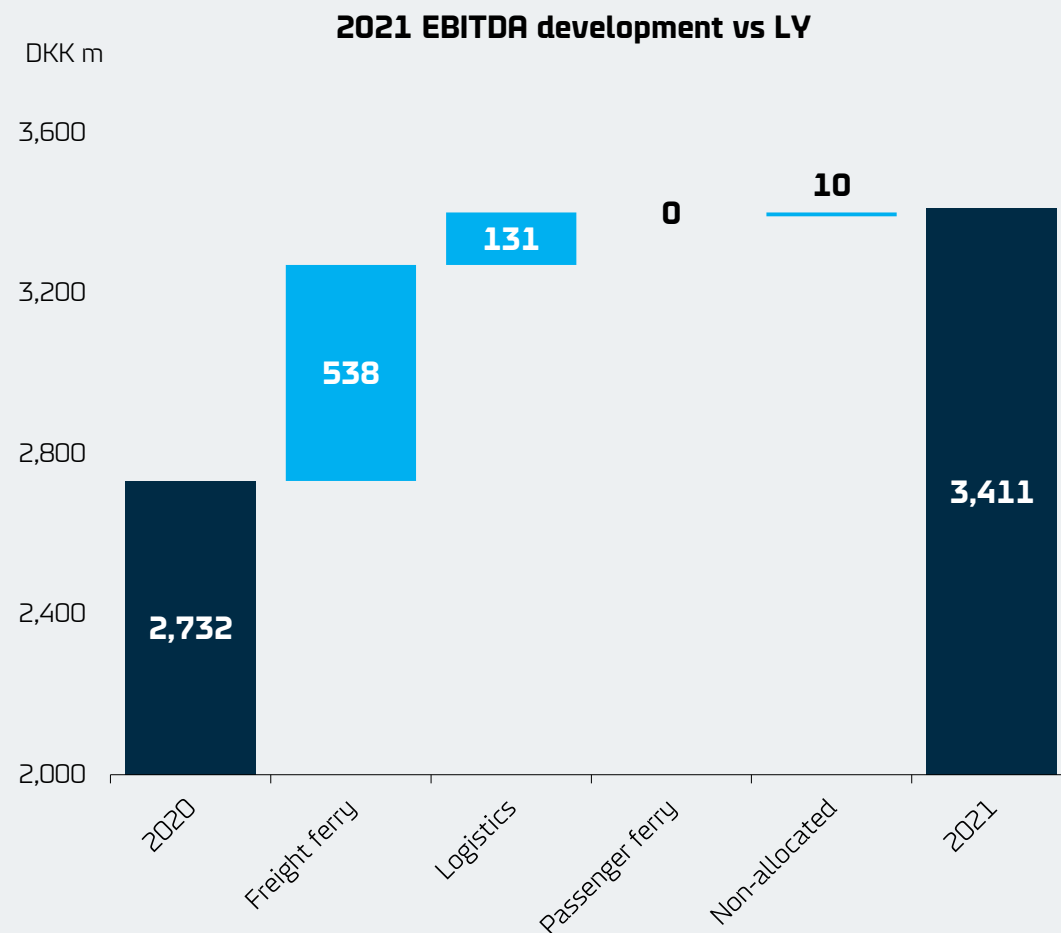
- **Grow solutions:** Focus on Automotive and Forest & Metal
- **Digitise:** Customer solutions for Logistics
- **Develop and expand:** Deployment of two Baltic new-buildings. Grow by acquisitions
- **Value for passengers:** Regain volumes, duty-free sales development, new concepts
- **Environmental transformation:** Green ferry development, electric truck deployment



Q4 & FY 2021

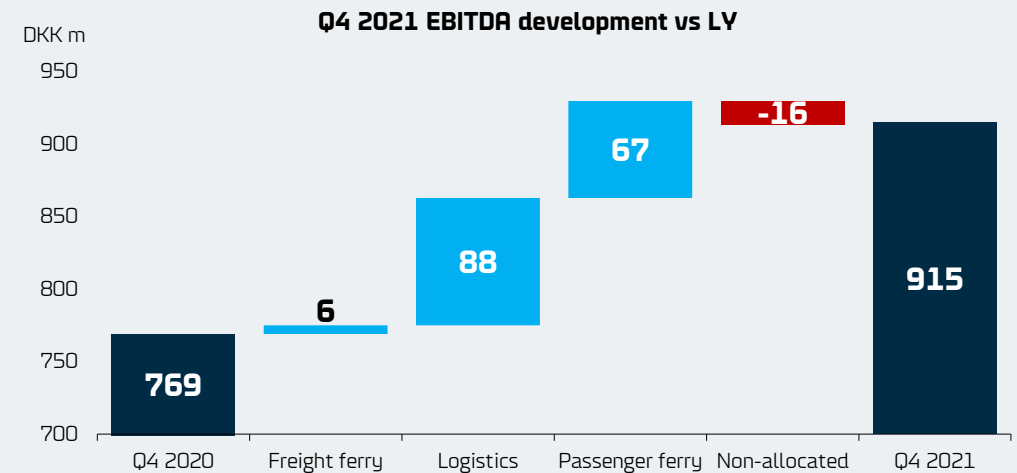
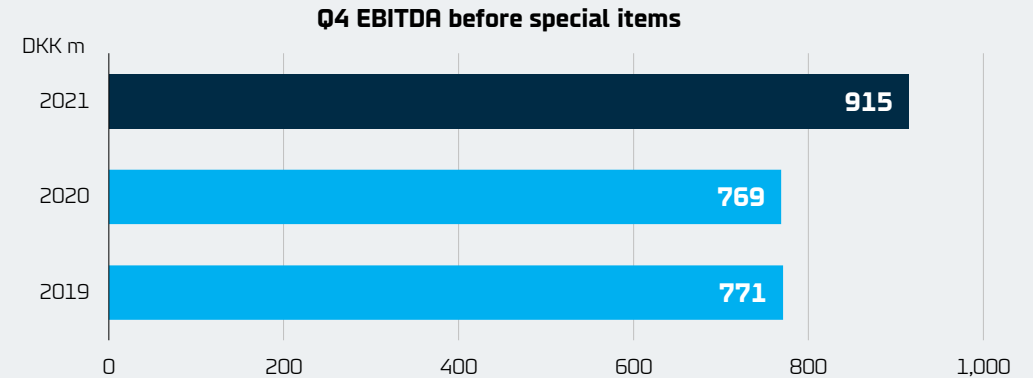
Set to grow further in 2022 on back of strong result for 2021

- **Full-year EBITDA** up 25% to DKK 3.4bn for 2021
- **Growth** driven by freight as passenger result remained on level with 2020 due to Covid-19
- **Mediterranean** achieved strong profit improvement
- **Logistics Division** boosted by acquisition of HSF Logistics Group
- **Green** ferry decision to be made in 2022



Q4 EBITDA: HSF, Mediterranean, and passengers improved earnings

- **DFDS Group** EBITDA up 19%
- **Ferry freight** EBITDA on level as tough UK stockbuilding comps offset higher earnings in Mediterranean and on new routes
- **Passenger** EBITDA up DKK 67m to DKK -30m as Scandinavian passengers started to return
- **Logistics** EBITDA up DKK 88m or 72% driven by addition of HSF Logistics Group
- **Non-allocated costs** up DKK 16m due to timing differences, FY in line with 2020



Q4 2021 income statement

- **Revenue** up 46% driven by the HSF acquisition, higher bunker surcharges, and more passenger revenue
- **Depreciation** up DKK 121m mainly due to addition of chartered ferries for new ferry routes and addition of HSF
- **Finance** cost reduced DKK 42m due to positive variance on currency adjustments. Interest cost on level with 2020
- **Special items** of DKK 4m represents a positive variance of DKK 101m due to restructuring and impairment in 2020

DFDS Group P/L DKK m	Q4 20	Q4 21	Δ	Δ
Revenue	3,761	5,482	1,721	46%
EBITDA*	769	915	146	19%
<i>Margin</i>	<i>20.5%</i>	<i>16.7%</i>	<i>-3.8%</i>	
<i>Ferry Division</i>	<i>668</i>	<i>742</i>	<i>73</i>	<i>11%</i>
<i>Logistics Division</i>	<i>123</i>	<i>211</i>	<i>88</i>	<i>72%</i>
<i>Non-allocated</i>	<i>-21</i>	<i>-37</i>	<i>-16</i>	<i>n.a.</i>
P/L associates	0	-4	-4	n.a.
Gain/loss on assets	0	-1	0	206%
Depreciation	-480	-602	-121	25%
EBIT*	289	309	19	7%
<i>Margin</i>	<i>7.7%</i>	<i>5.6%</i>	<i>2.9%</i>	
Finance	-95	-54	42	-44%
Profit before tax*	194	255	61	32%
Tax	12	-6	-18	-152%
Profit after tax*	206	249	43	21%
Special items	-97	4	101	n.a.

*Before special items

Q4 capital overview – strong operational cash flow

- **Assets** increased DKK 3.8bn mainly due to HSF consolidation
- **Operating cash flow** up 6% to DKK 0.8bn.
Free cash flow includes second and final payment for HSF
- **NIBD** of DKK 13.5bn up DKK 2.1bn from end 2020 mostly reflecting HSF acquisition
- NIBD/EBITDA-ratio at 3.7* down from 4.2 at year-end 2020
- **ROIC** (LTM)** increased to 5.2% from 3.5% at year-end 2020

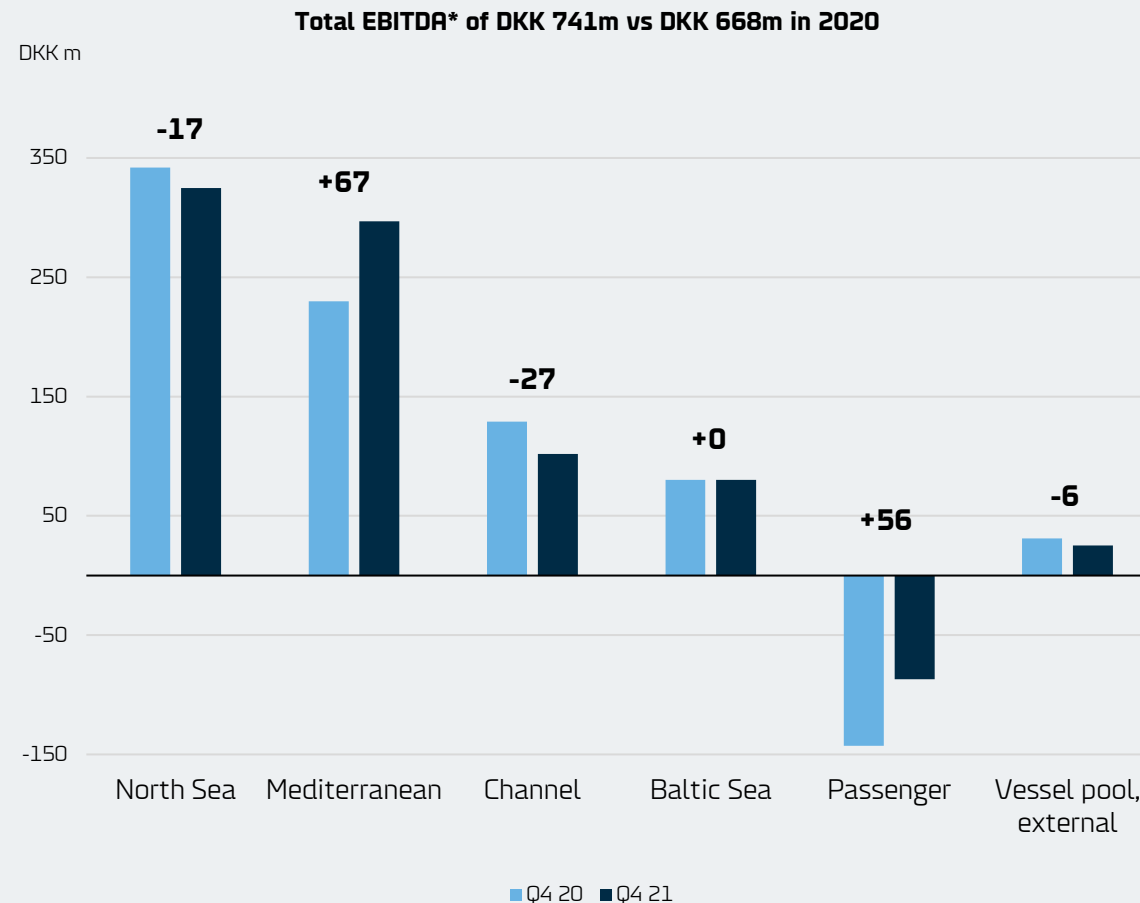
DKK m	Q4 20	Q4 21	Δ	Δ
Non-current intangible assets	4,901	6,252	1,351	28%
Non-current tangible assets	16,867	19,188	2,321	14%
Total assets	27,006	30,783	3,778	14%
Working capital	132	-78	-210	-192%
Cash flow				
Operating cash flow	796	843	47	6%
Investments, assets	-192	-790	-598	311%
Investments, acquisitions	0	-803	-803	n.a.
Adjusted free cash flow	444	-1,018	-1,462	n.a.
Key figures				
ROIC before special items	3.5%	5.2%	1.7%	n.a.
NIBD	11,361	13,481	2,120	19%
NIBD/EBITDA, times	4.2	3.7	-0.5	n.a.
Equity ratio	39.3%	37.5%	-1.8%	n.a.
Invested capital, end	22,121	25,369	3,248	15%
Invested capital, avg.	22,500	23,324	824	4%

*Including HSF pro forma EBITDA for LTM

**Before special items

Ferry Division – Mediterranean growth, tough UK comps

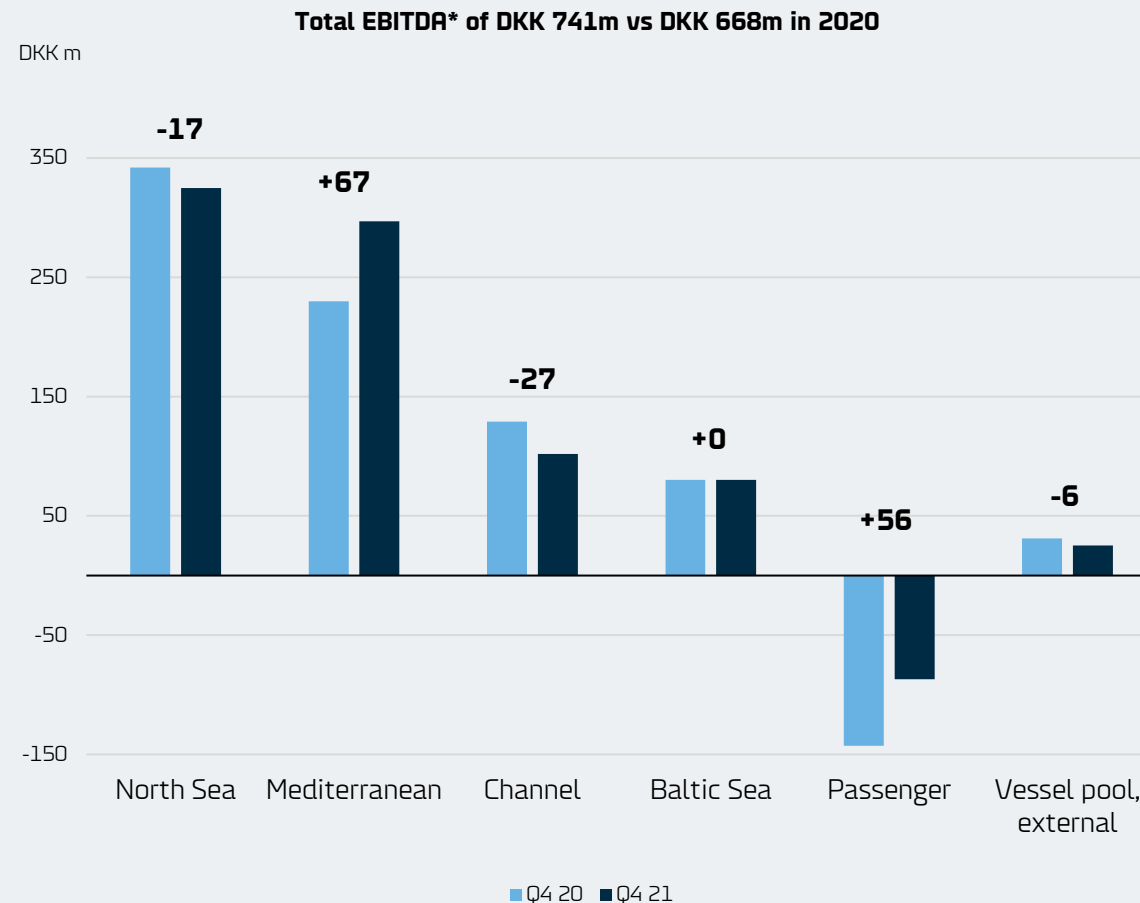
- **North Sea** down DKK 17m due to boost from UK stockbuilding in 2020. Supply chain bottlenecks eased through the quarter
- **Mediterranean** up DKK 67m driven by 6% higher adjusted volumes and improved results for rail and ports
- **Channel** down DKK 27m due to boost from UK stockbuilding in 2020. Passenger result improved by more passengers and duty-free sales



*Before special items

Ferry Division – passenger volumes started to pick up

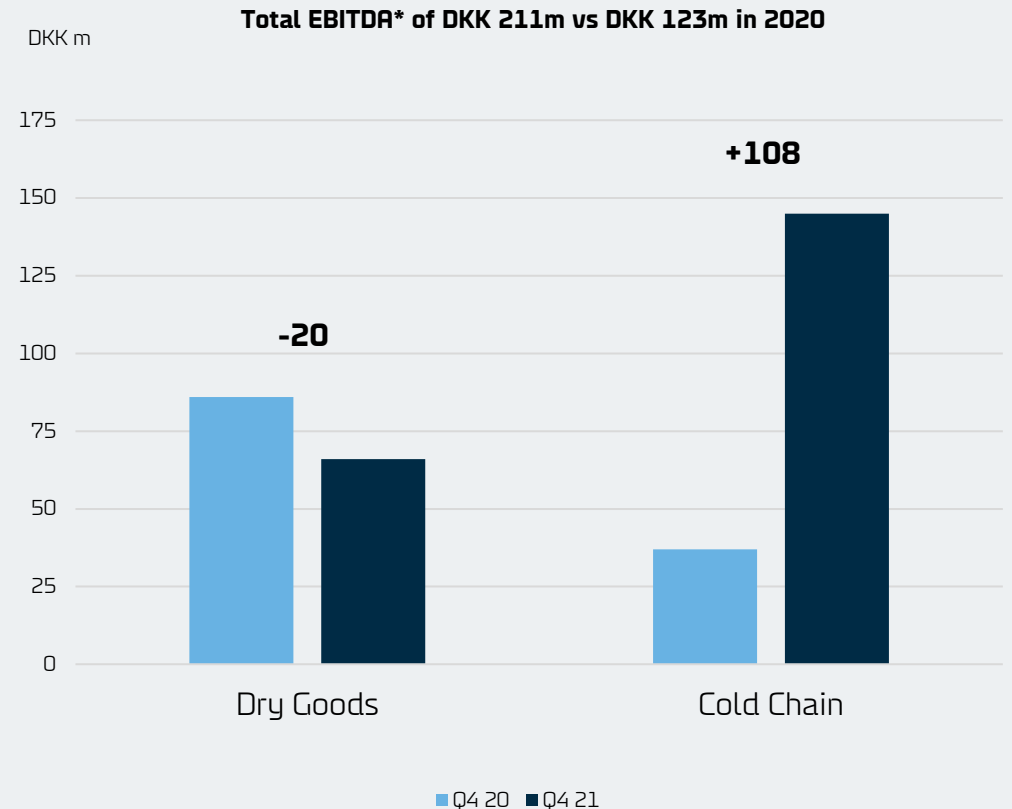
- **Baltic Sea** on level with 2020 as lower volumes were offset by cost decreases
- **Passenger** up DKK 56m mainly due to higher passenger volumes on Norway-Denmark route



*Before special items

Logistics – boost from HSF, margin pressure in forwarding

- **Dry Goods** down DKK 20m as time lags in cost coverage and higher own costs lowered forwarding margins
- Contract logistics and specialised services improved
- **Cold Chain** up DKK 108m due to addition of HSF Logistics Group
- Forwardings margins also here impacted by time lags in cost coverage and higher own costs
- Periodic negative impacts from Covid-19 restrictions in the Netherlands and UK



*Before special items

2022 OUTLOOK

Key freight outlook assumptions for 2022

- **Ferry:** UK freight market expected to grow after some slowdown in 2021
- Further growth expected for Mediterranean
- Baltic network strengthened by two new-buildings
- Channel expected to be negatively impacted by overcapacity in market
- **Logistics:** Full-year impact of HSF and margin improvement for forwarding margins

DKK m	Outlook 2022	2021
Revenue growth	23-27%	17,869
EBITDA before special items	3,900-4,400	3,411
<i>Per division:</i>		
Ferry Division	3,050-3,450	2,853
Logistics Division	900-1,000	593
Non-allocated items	-50	-35
Investments	-2,300	-3,210
<i>Types:</i>		
Operating	-1,400	-975
Ferries: sale & purchase and new-buildings	-800	-490
Acquisitions	-100	-1,745

Key **passenger** outlook assumptions for 2022

- Around 50% of DKK 1bn EBITDA decrease in 2020 and 2021 is expected to be regained
- This includes a positive impact from duty-free sales, mainly in Channel
- Also includes a negative impact from overcapacity in Channel market
- Baltic network strengthened by two new-buildings

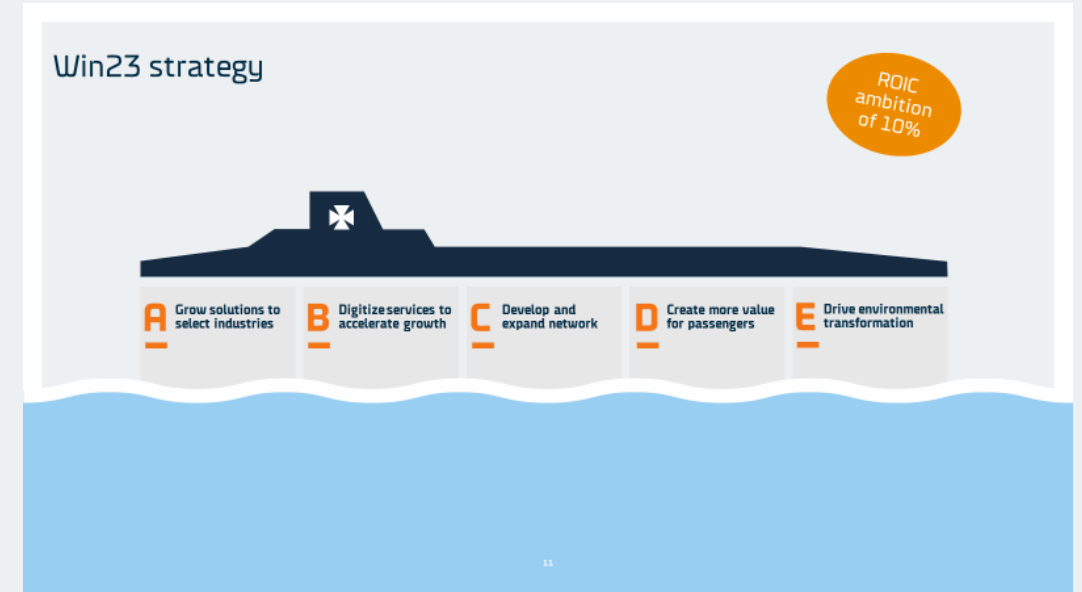
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Q&A



Win23 – on track to meet growth strategy ambitions

- **Mediterranean** set to deliver on 2018 business plan target
- Around 21 ferries to be deployed in 2022 up from 14 in 2018
- **M&A growth**
 - HSF Logistics Group
 - ICT Logistics
 - Huisman
 - Freeco
- **Brexit opportunities**
 - New route Rosslare (IRL)-Dunkirk (F)
 - New route Sheerness (UK)-Calais (F)
 - Duty-free sales
 - Customs services



Win23 – current ‘macro’ challenges expected to impact 2022 as well

- **Covid-19**

- Main impact on passenger volumes

- **Brexit transition headwind**

- UK-EU trade complicated by new rules
- Final implementations in 2022
- UK import volumes from EU reduced in 2021 by mix of Covid-19, Brexit and supply chain bottlenecks
- Changes in competitive structure

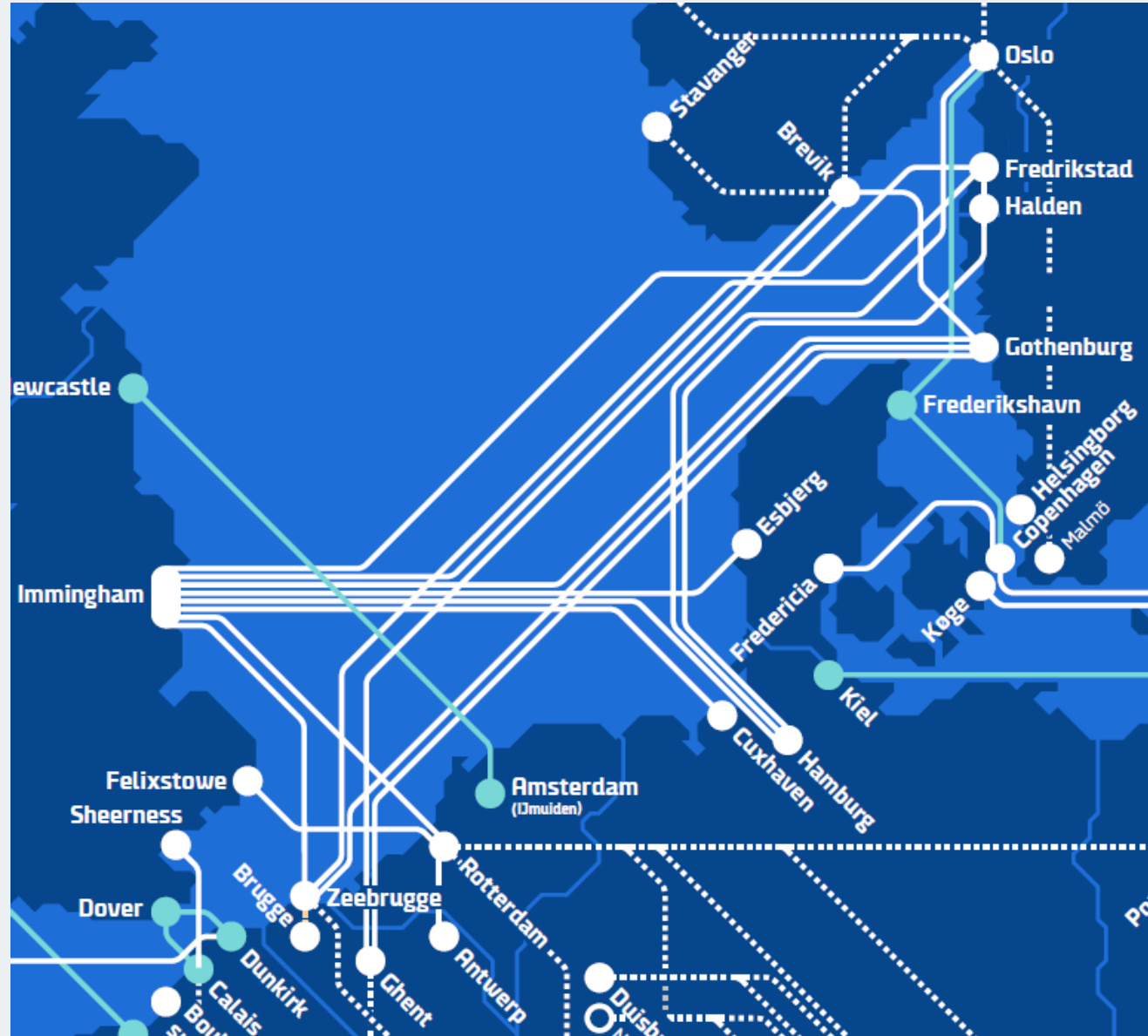
- **Supply chain bottlenecks**

- Truck driver shortage
- Transport equipment shortages
- Port congestion
- Staff availability



North Sea

- Only freight ferry routes (ro-ro)
- High share of industrial customers
Sweden-UK/Continent
- Forwarders main customer group
UK-Continent
- 17 freight ferries and 2 sideport ships



Mediterranean

- Freight ferry routes connecting Europe and Turkey
- Turkish forwarders and hauliers main customer group
- 20 freight ferries



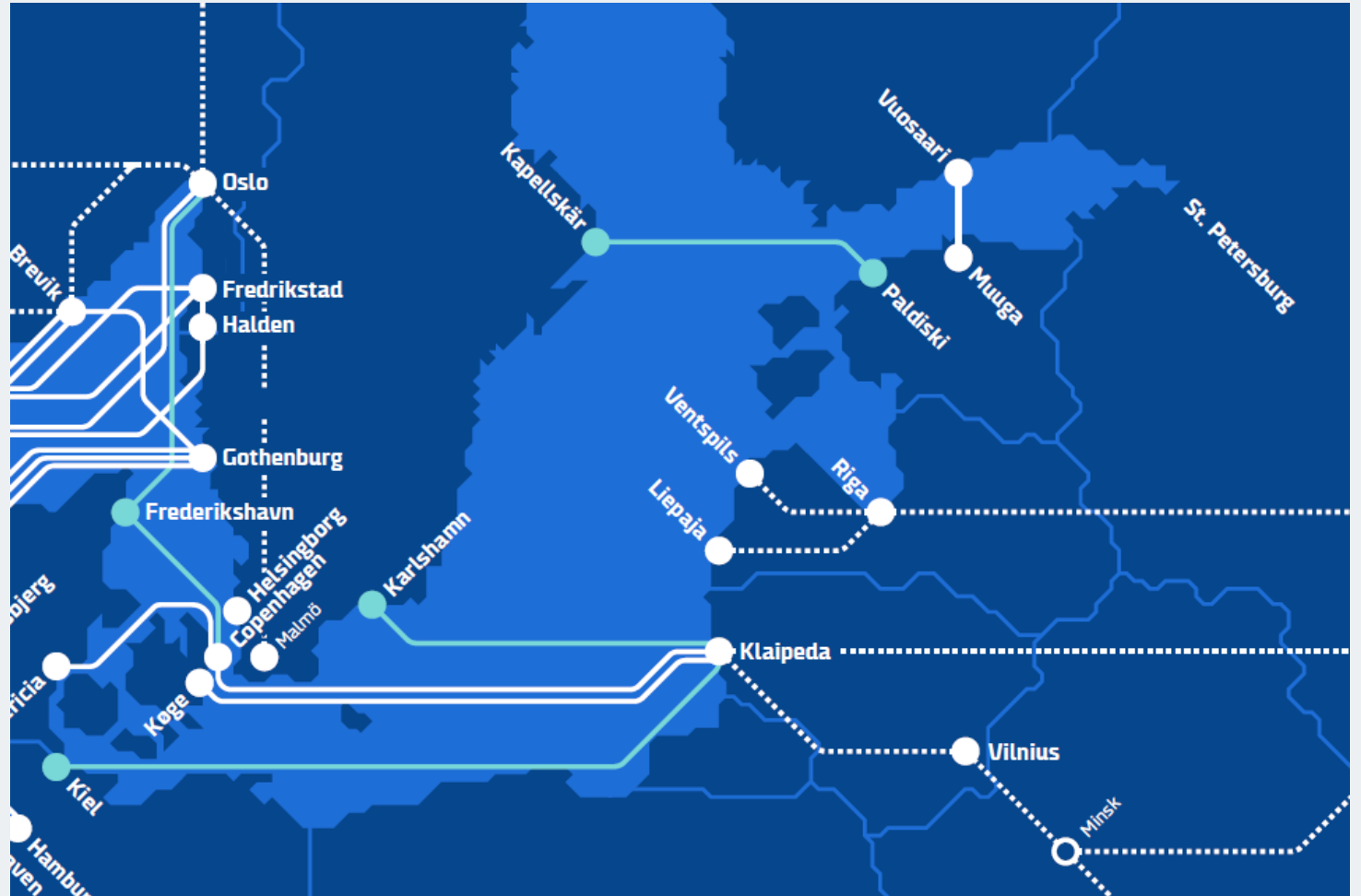
Channel

- Combined freight and passenger ferry routes (ro-pax)
- Rosslare-Dunkirk and Calais-Sheerness freight-only routes
- Forwarders main freight customer group
- Seasonal passenger market, Q3 high season
- 10 combined ferries, 1 freight ferry



Baltic Sea

- Freight ferry (ro-ro) and combined freight and passenger ferry routes (ro-pax)
- Forwarders main freight customer group
- 10 ferries, mix of combined and freight ferries



Passenger

- Cruise ferry routes, overnight crossings
- Seasonal passenger market, Q3 high season
- Overseas passengers between Norway and Denmark
- Also carries freight
- 4 passenger ferries



Logistics

