

GROWTH CONTINUES BUT BREXIT LOWERS PACE

DFDS GROUP



September 2019



Disclaimer



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.



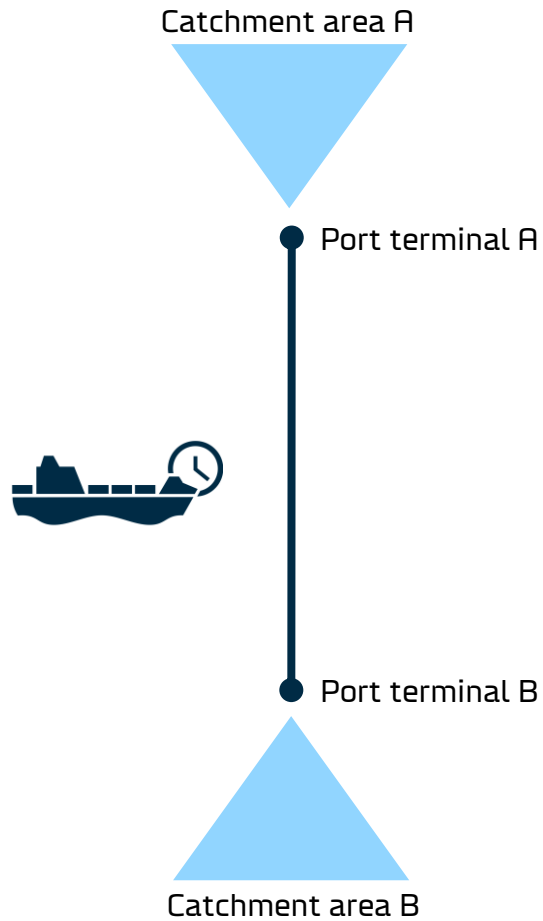
Content



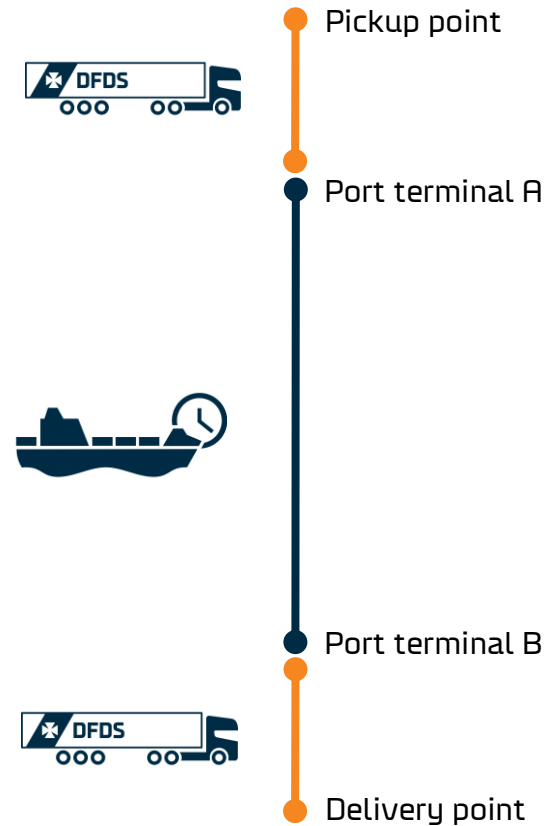
- DFDS overview
- Q2 2019
- UK and Mediterranean
- WIN23 strategy

DFDS' business model builds on 3 core activities

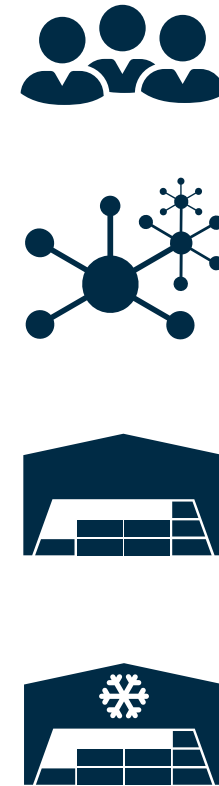
Ferry routes



Door-door solutions



Contract logistics



DFDS' ferry and logistics network

- DKK 16bn revenue
- DKK 3.6bn EBITDA
- 8,000+ employees
- 23 ferry routes – incl.
9 passenger routes
- 8 port terminals
- 35 logistics locations



Roll on, roll off



- **Ro-ro/ro-pax** shipping: roll on, roll off of **freight units** and **passenger cars**
- Routes carry both **unaccompanied** and **accompanied trailers**
- Other types of cargo, e.g. heavy industrial goods and containers, are placed on carrying equipment (mafis) and tugged on to the ship



FERRY TYPES



Day ferry (ro-pax), Channel



Freight ferry (ro-ro)



Cruise ferry



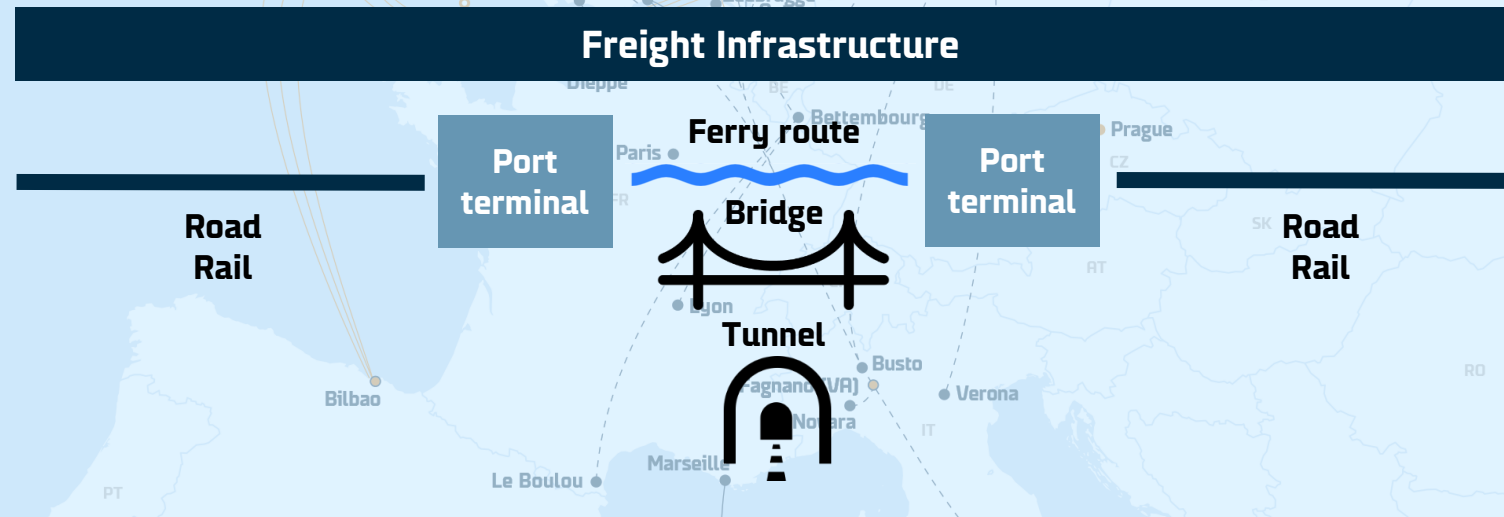
Combined freight and passenger ferry (ro-pax)

FERRY ROUTE CAPACITY DYNAMICS

- stepwise addition of ferries on a route leverages capacity significantly

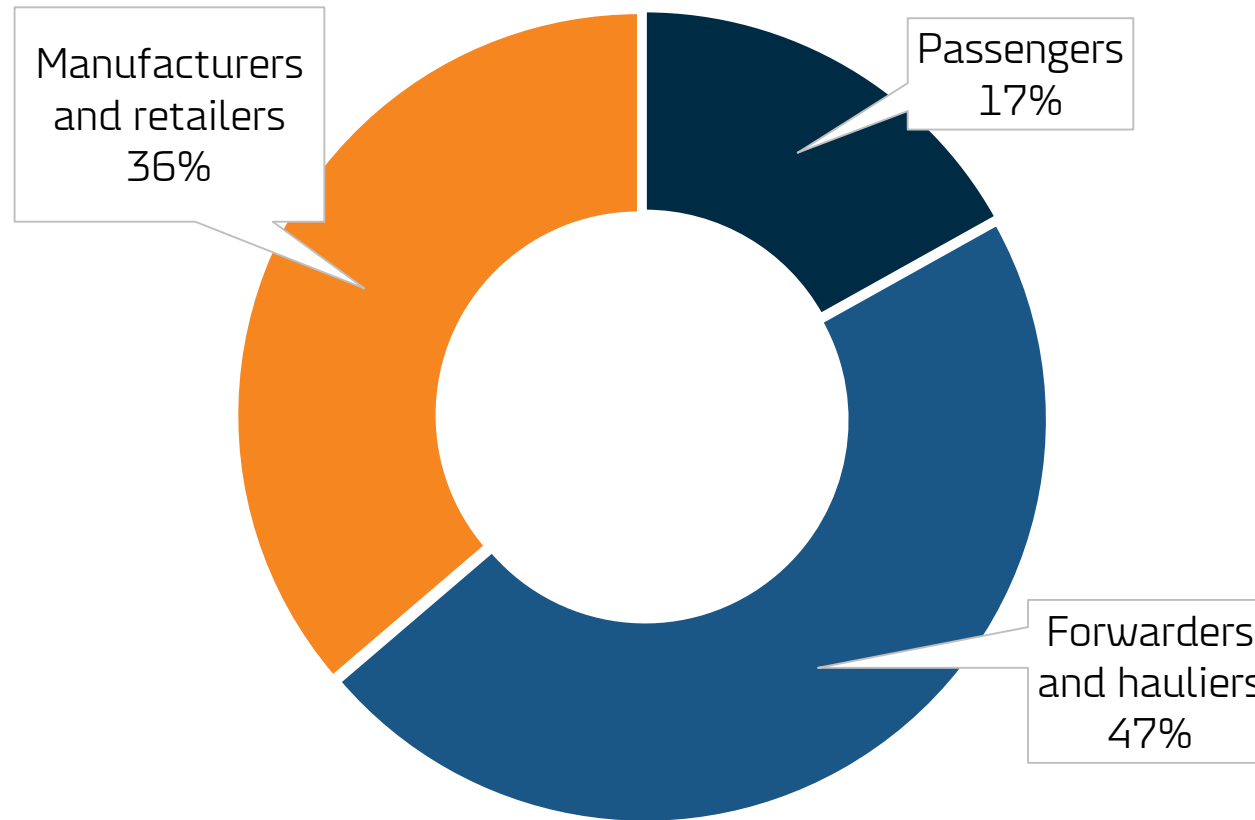
| Route | No. of ships on route today | Minimum required no. of ships for entry | Capacity impact of entry* |
|----------------------------------|-----------------------------|---|---------------------------|
| Dover-Calais | 8 | 3 | 38% |
| Göteborg-Immingham | 3 | 2 | 67% |
| Fredericia- Copenhagen- Klaipėda | 1 | 1 | 100% |

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



Our customers: Forwarders, industrials and passengers

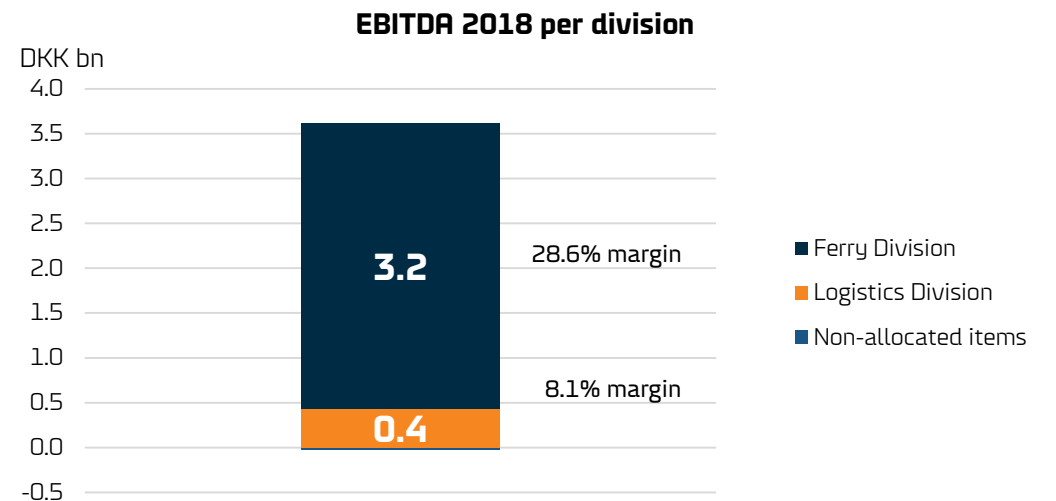
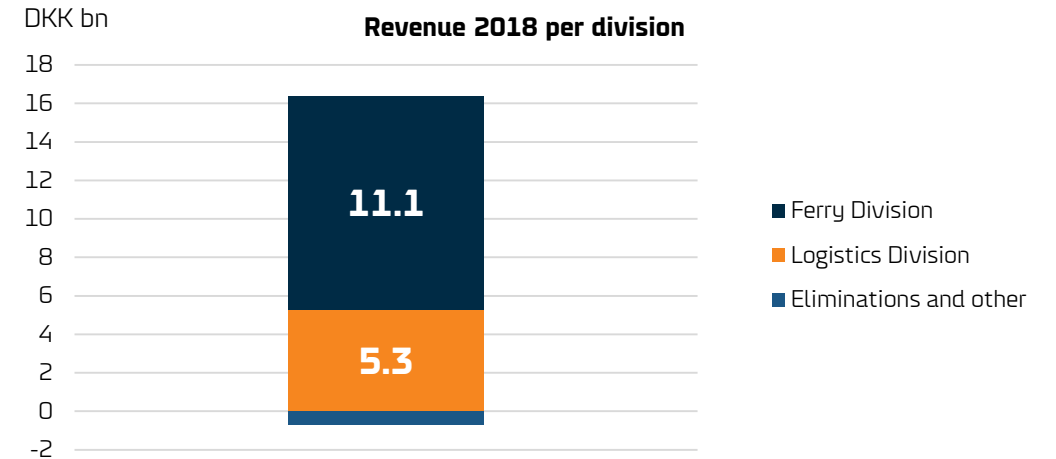
DFDS' three main customer groups, % of revenue



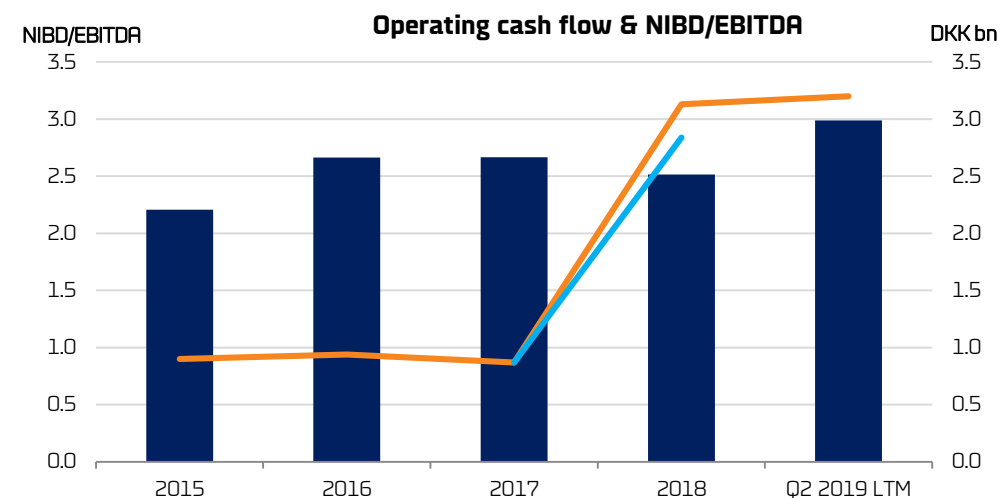
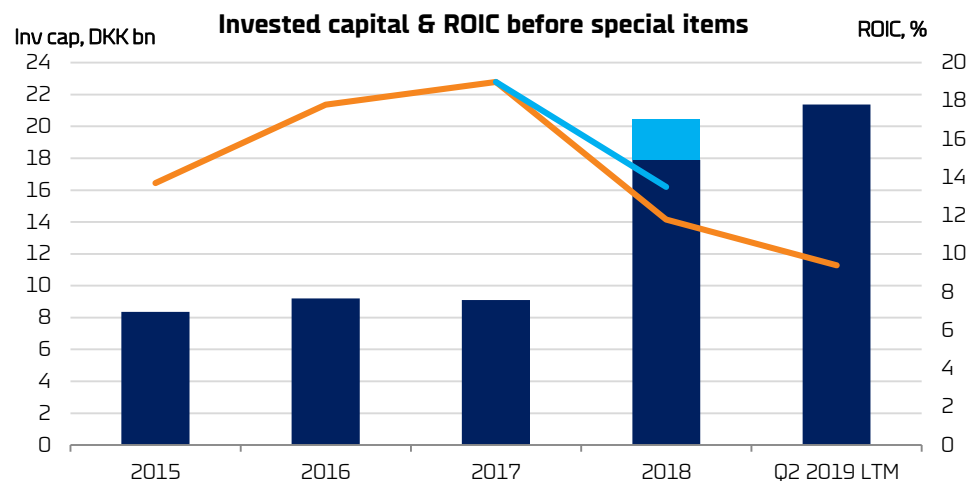
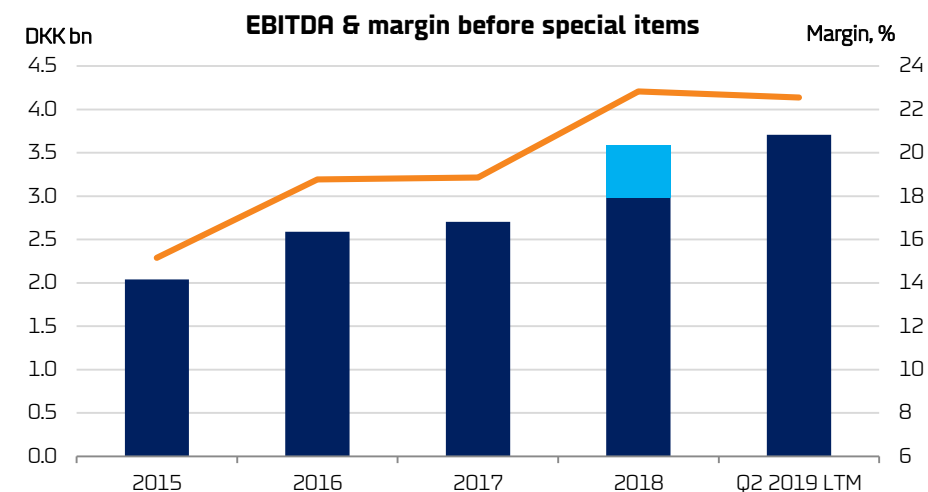
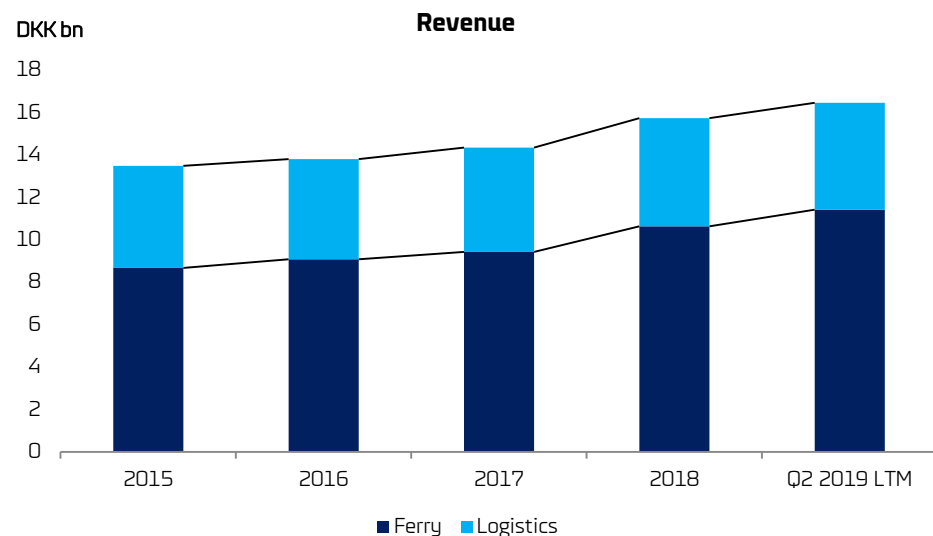
DFDS structure, ownership and earnings split

DFDS Group

| DFDS Group | |
|---|---|
| People & Ships | Finance |
| Ferry Division <ul style="list-style-type: none"> • 23 ferry routes – freight and passengers • 57 ferries • 8 port terminals | Logistics Division <ul style="list-style-type: none"> • Door-door transport • Contract logistics • 5,600 trailers and 3,500 containers • 2 sideport ships and VSA/SCA* |
| DFDS facts <ul style="list-style-type: none"> • Founded in 1866 • Activities in 20 European countries, Turkey and Tunisia • 8,000 employees | Shareholder structure <ul style="list-style-type: none"> • Lauritzen: 42% • Free float: 56% • Nasdaq Copenhagen • Foreign ownership share: ~30% |

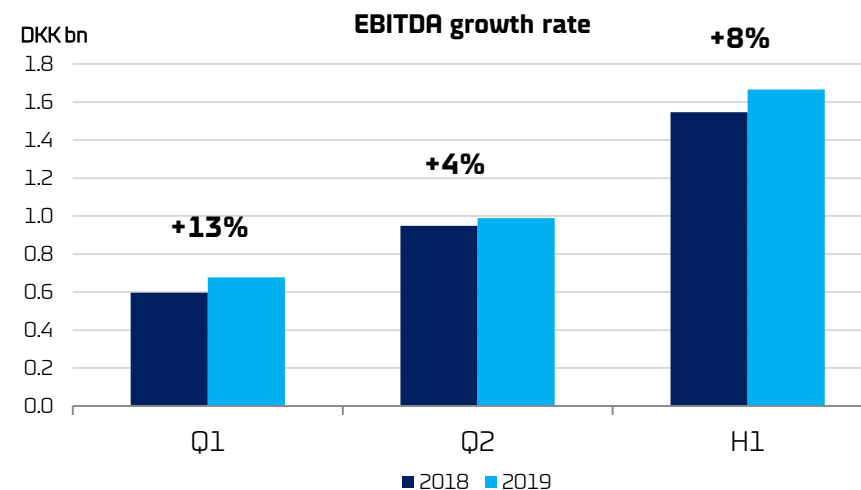
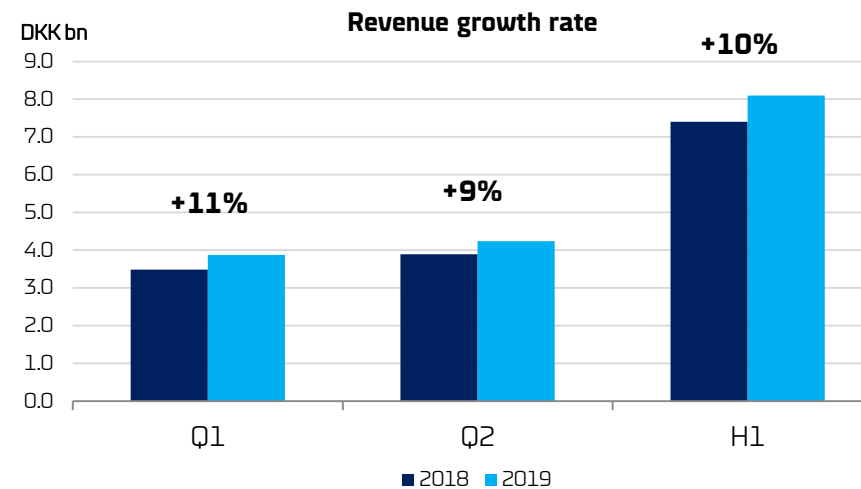


DFDS key figures – IFRS 16 applied from 2018



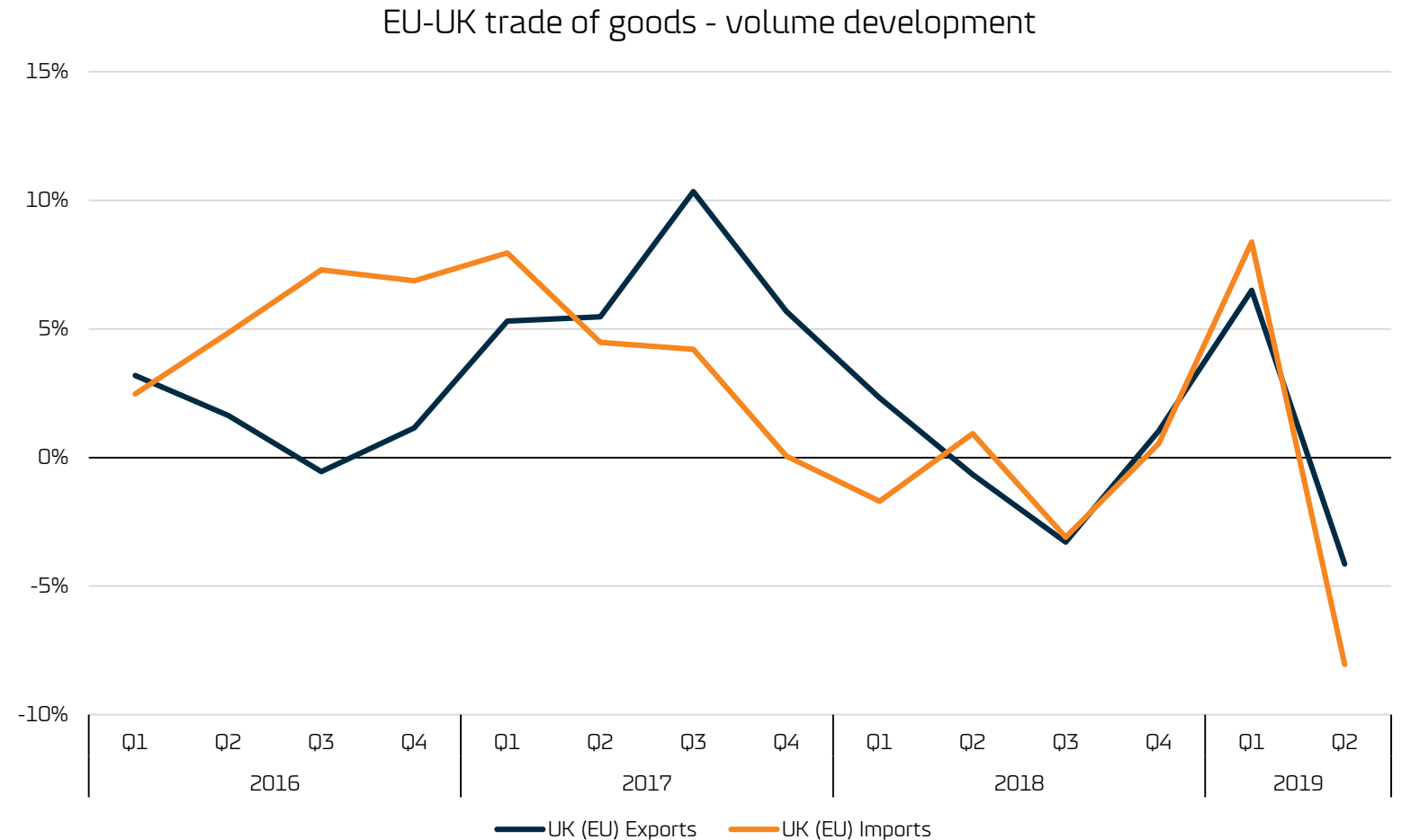
H1 2019 - growth lowered by exceptional Brexit uncertainty

- **Q2** revenue up 9% to DKK 4.2bn; EBITDA up 4% to DKK 989m
- **H1** revenue up 10% to DKK 8.1bn; EBITDA up 8% to DKK 1.7bn
- Negative impact in Q2 from reversal of UK stockpiling in Q1
- UK trade currently lowered by Brexit uncertainty
- **Earnings outlook** lowered ~6%: EBITDA of DKK 3.5-3.8bn (previously DKK 3.8-4.0bn), (2018: DKK 3.6bn)



UK trade lowered by reversal in Q2 of Q1 stockpiling

- Q1 trade boosted by UK stockpiling
- Reversal of stockpiling in Q2
- Waiting game for more clarity on Brexit is currently extending slowdown
- New round of stockpiling may occur in September/October



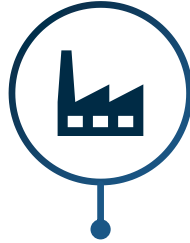
DFDS ready for no-deal Brexit, some customers less so



Customs clearance



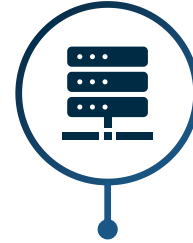
AEO¹ status obtained in key areas
Staff trained for customs clearance
Experts hired to build expertise



Operations



Processes, plans and teams ready
Manual processes identified if IT not ready
Focus on challenges in Channel
Space allocated in ports for customs clearance
Options on space for stocking



IT systems



IT automation secured (customs, customers and ports)
24/7 support for new functionalities
EDI connections developed for key customers



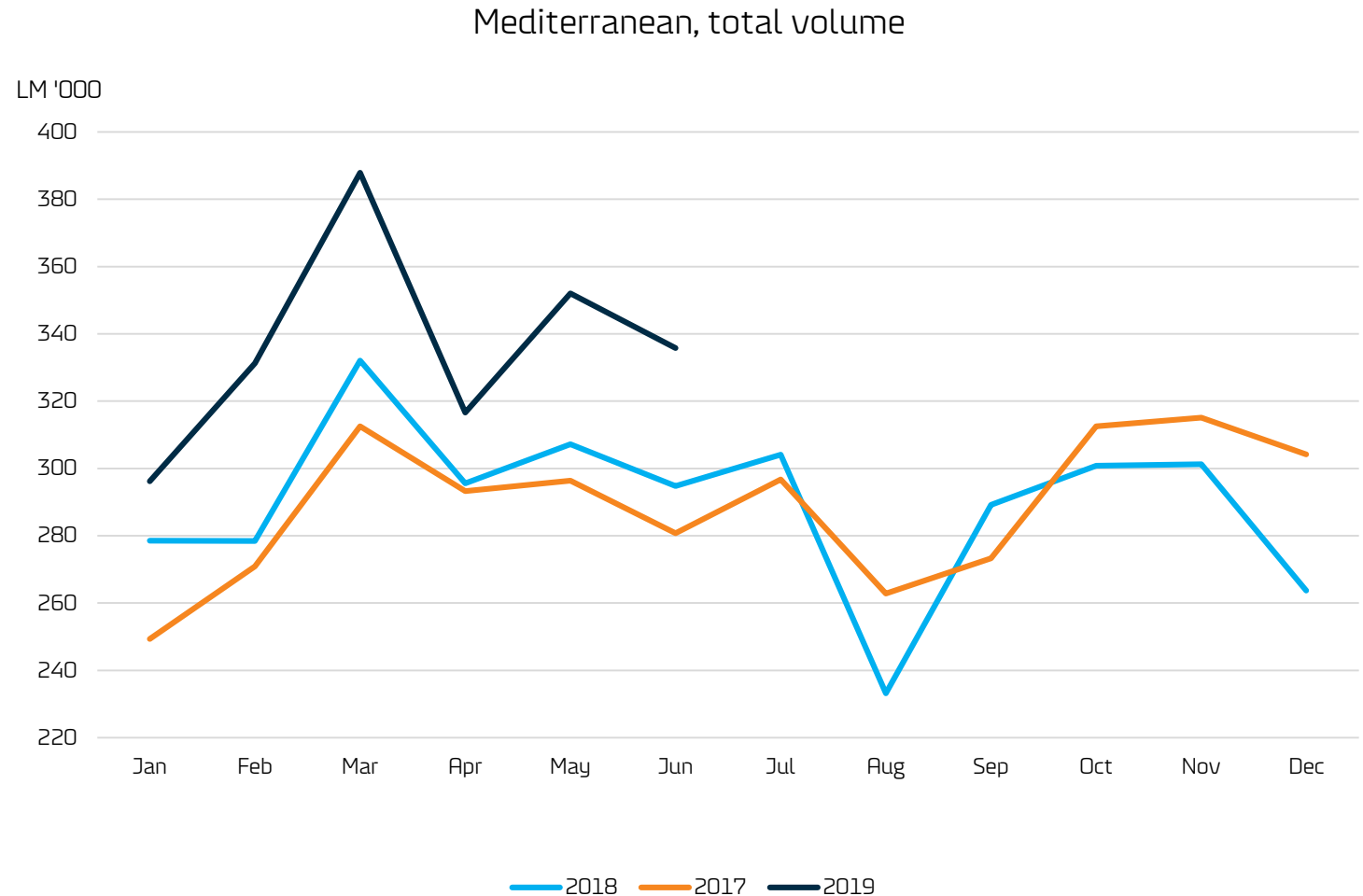
Communication



Ongoing alignment with trade associations, customs authorities, ports and customers
Customers informed of post-Brexit procedures
Both digital and traditional channels leveraged

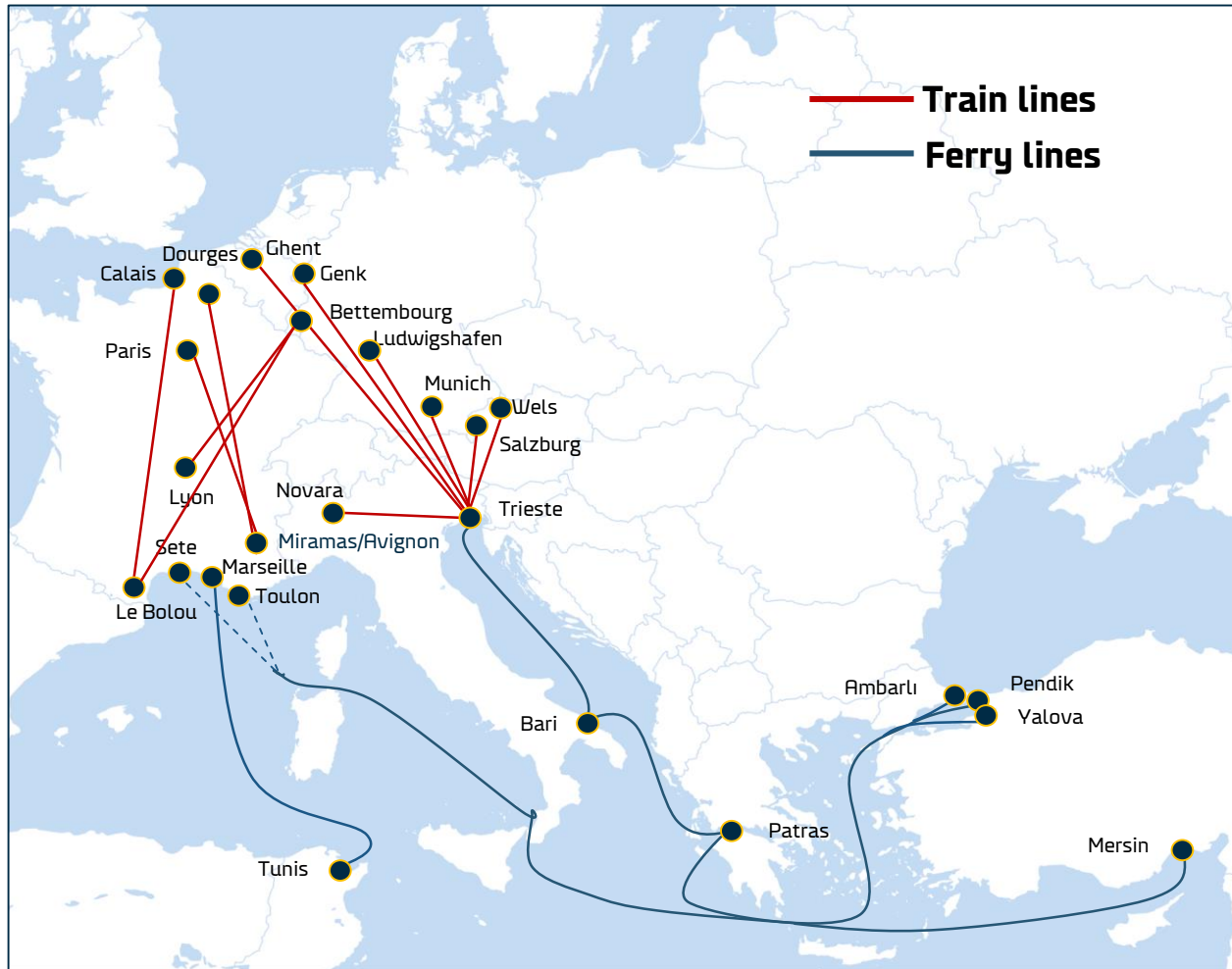
Turkey - Mediterranean volumes boosted by Ekol agreement



- Q2* volumes up 12% and H1 volumes up 13%
- Istanbul-Trieste volume growth in line with expectations for H1
- Turkish recession expected to continue through 2019



2020: All set to optimise operations and cost structure

DFDS Mediterranean in 2020



 Vessels
%  Utilization

14 vessels



- Due to market conditions and completion of scrubbers, two ferries will exit Mediterranean
- Consolidation of France – Turkey routes
- Positive impact from scrubber investments
- Possible re-bond in the economy

Renewal of Amsterdam-Newcastle route

- Purchase of two combined freight and passenger ferries (ro-pax) Moby Wonder and Moby Aki, built 2001/2005
- Sale of passenger ferries King Seaways and Princess Seaways, built 1987/1986
- Completion expected second half of October 2019. Charter of King Seaways and Princess Seaways from Moby until January/February 2020
- Consistent freight capacity throughout year. Freight capacity increase of around 40%
- Car capacity increase of around 5%. Cabin configuration well suited to requirements of holiday-makers travelling by car.
- Renewal supports WIN23 strategy and ambitions
- Accounting profit from sale of around DKK 100m
- Investment of around DKK 1.0bn of which DKK 650m is expected to be paid in 2019. Remaining DKK 350m paid in 2020
- Investment outlook for 2019 is therefore changed to around DKK 3.4bn from previously DKK 2.8bn

WIN23

Our high-level assumptions on business environment

- Modest but positive European growth 2019-2023
- Competitive environment to remain stable
- Consolidation set to continue
- Digital requirements accelerating

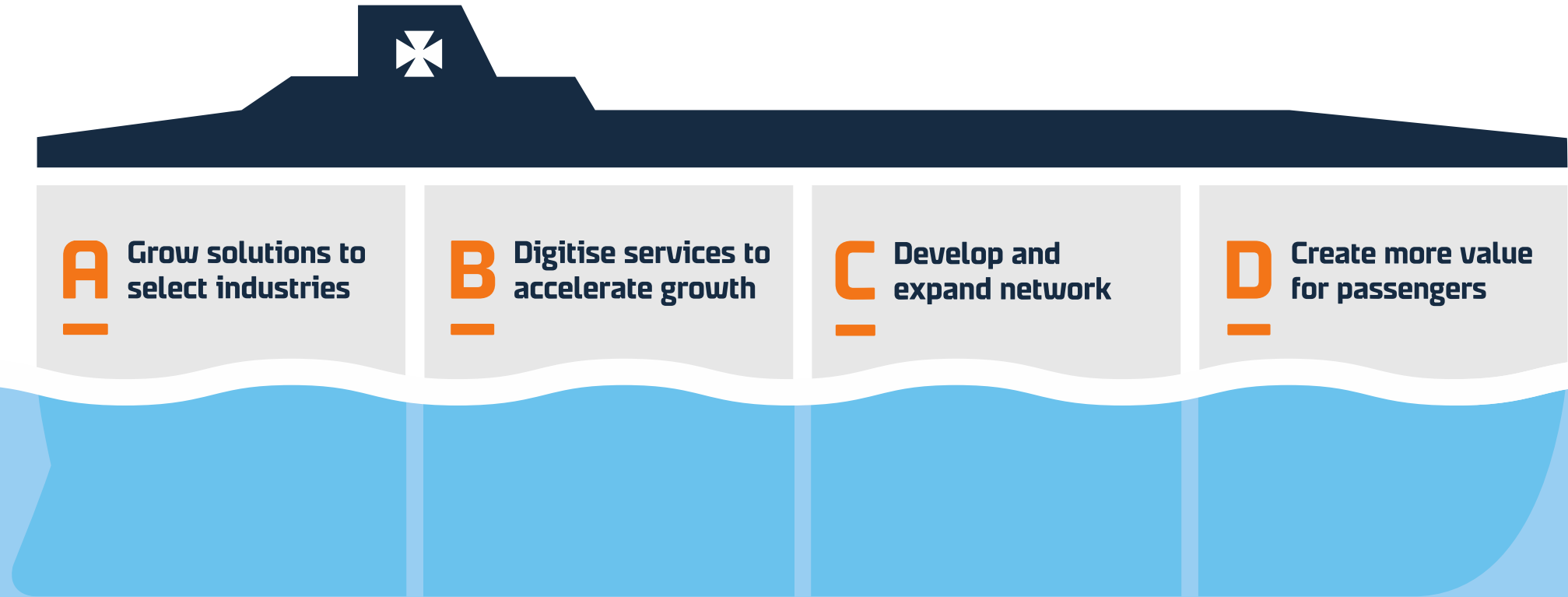


WIN23 – NEW AMBITIONS FOR NEXT FIVE YEARS

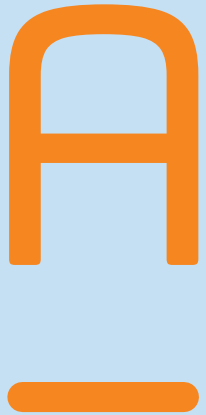
- **Strong** platform to grow from
- Great **opportunities** to leverage our people, skills, assets and technologies
- Financial ambition of an EBITDA of around **DKK 5.5bn in 2023**
- **Uncertainty** related to financial ambition estimated at around 10%



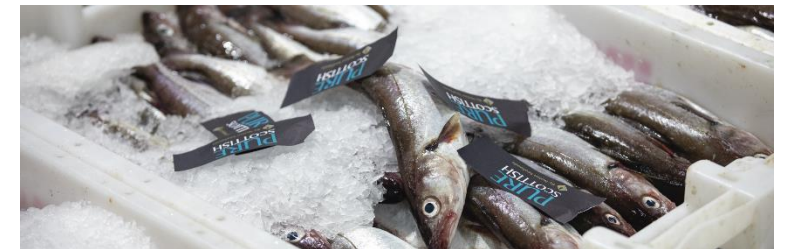
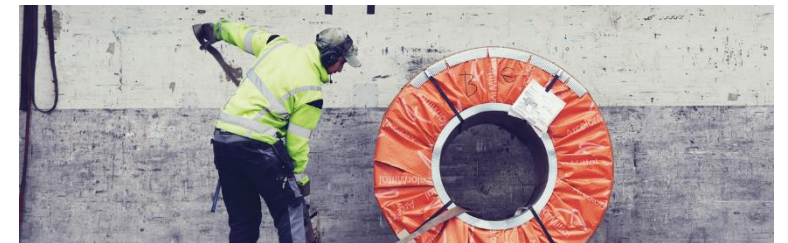
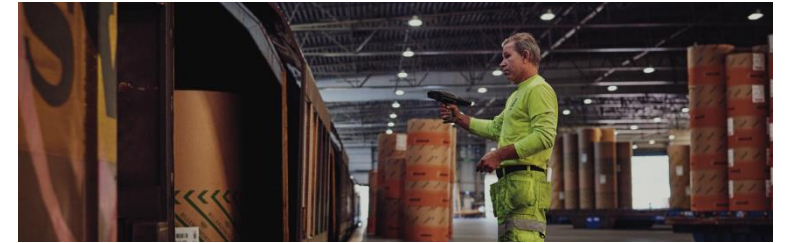
WIN23 strategy - 4 strategic pillars to drive growth next 5 years



Grow solutions to select industries

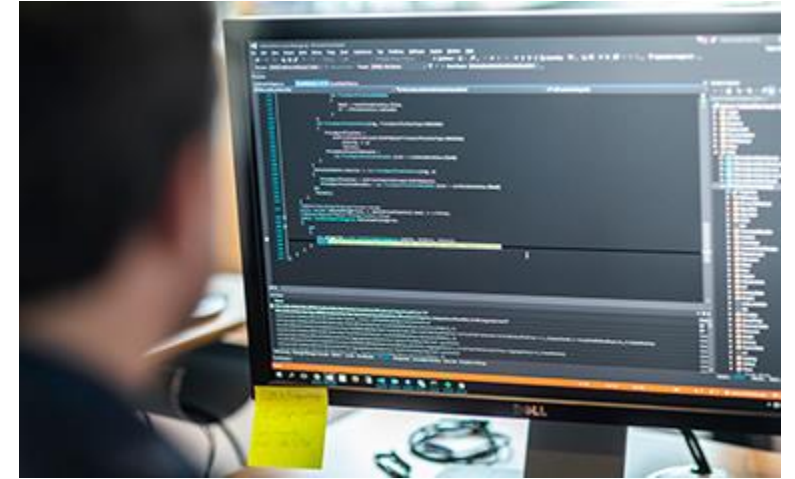


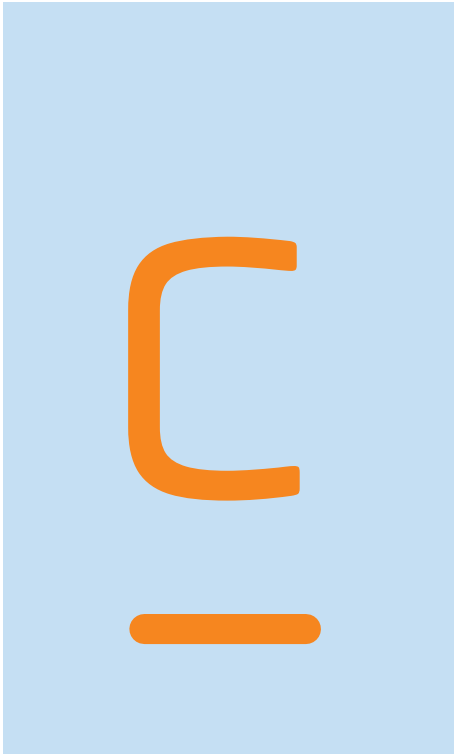
- Automotive
- Forest & Metals
- Cold Chain



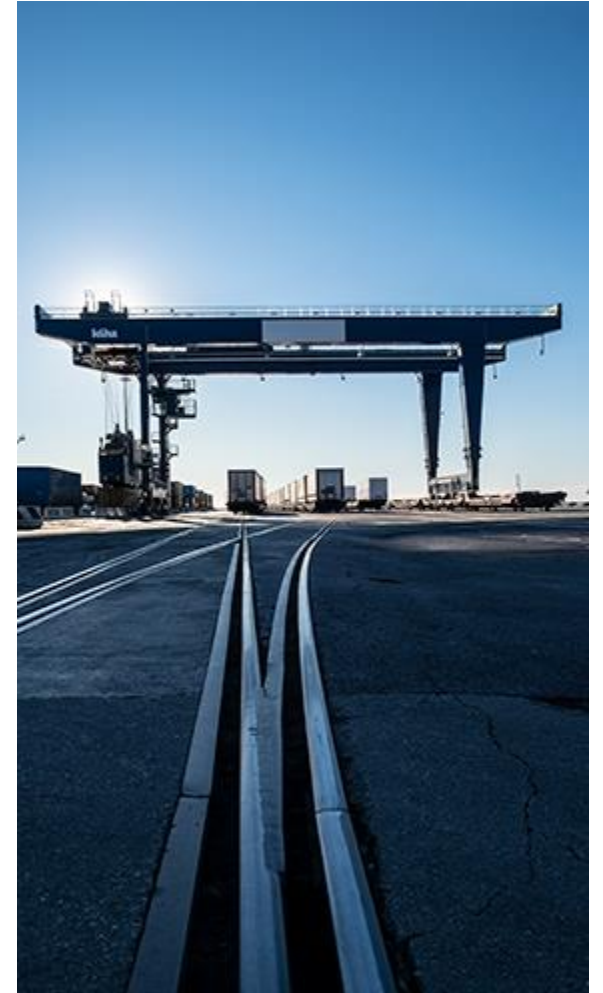
B
—

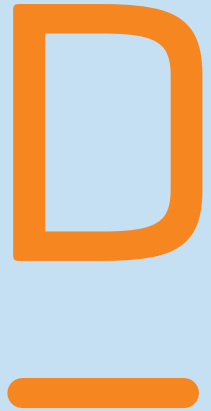
- Easy access for customers
- Innovative solutions
- Cost-efficiency of sales
- Digitise and automate core systems





- Mediterranean business plan fulfillment
- Ferry new building benefits
- Continuous improvement projects
- Acquisitions



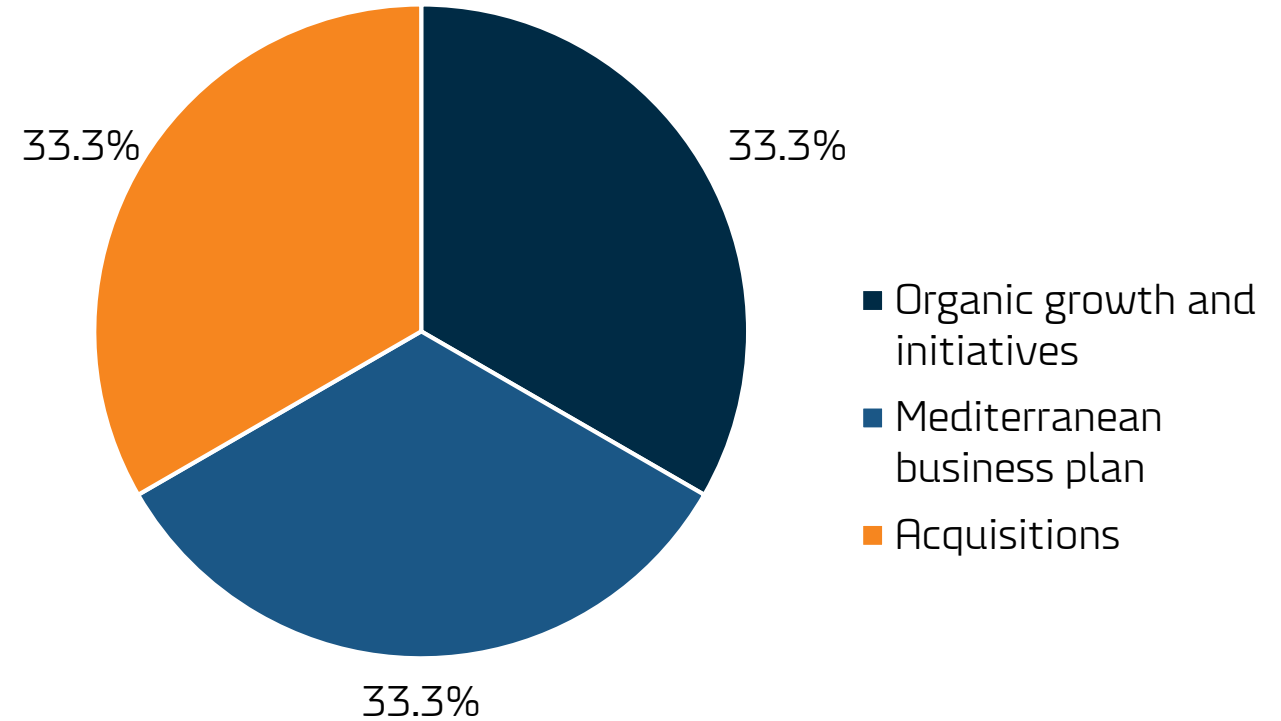


- Develop on board customer experience
- Business development initiatives
- Fleet development



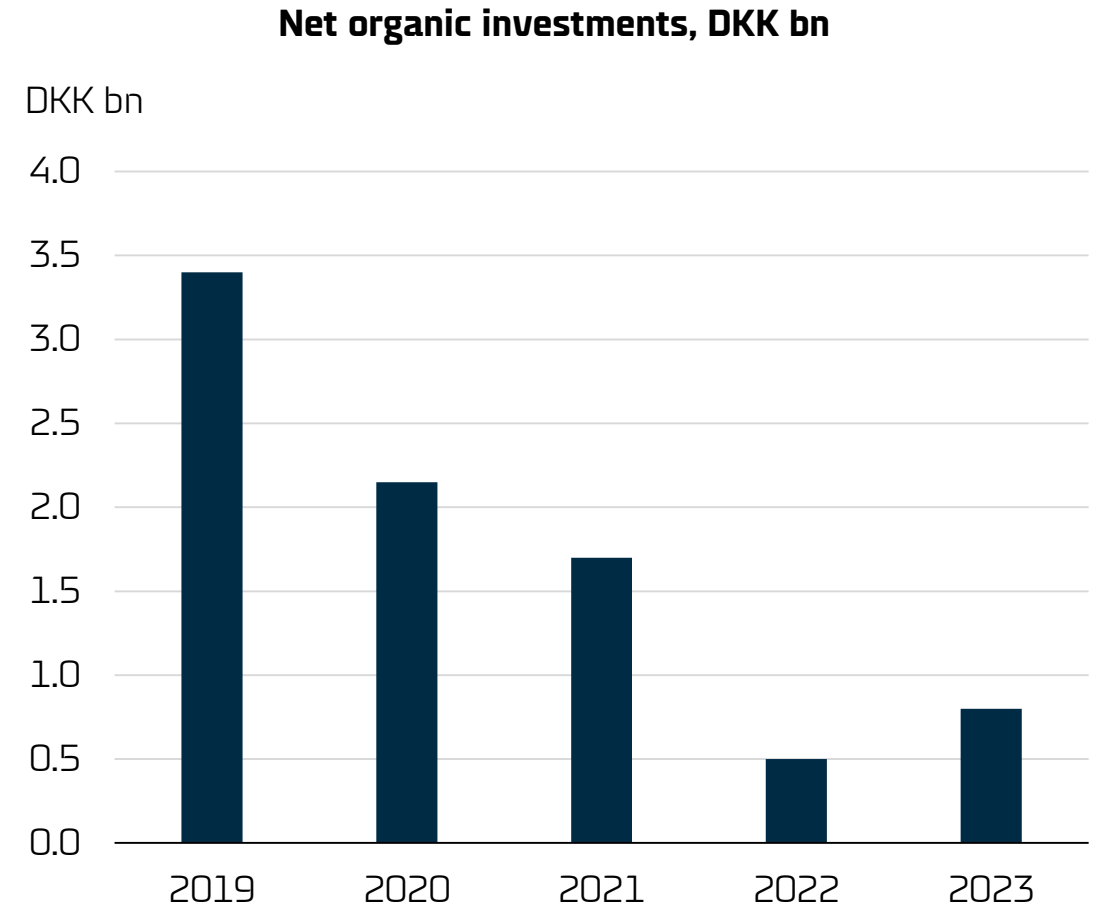
- 4 pillars contain 10 key initiatives
- Three financial drivers:
 - Organic growth and initiatives
 - Mediterranean business plan
 - Acquisitions
- Framework for monitoring progress and financial impact in place

WIN23: EBITDA growth split



Investment and cash flow forecast for 2019-2023

- Ferry new buildings delivered in 2019-2021
- ‘Maintenance’ investments expected in 2022-2023
- Acquisitions not included in forecast
- Significant free cash flow projected before acquisitions



WIN23 - strategic and financial ambitions for next 5 years

- Resilient combination of ferry route infrastructure and logistics solutions
- Balanced impact from organic initiatives, Mediterranean business plan and acquisitions
- High share of initiatives contingent on own ability to perform
- 10% uncertainty related to primarily macro elements

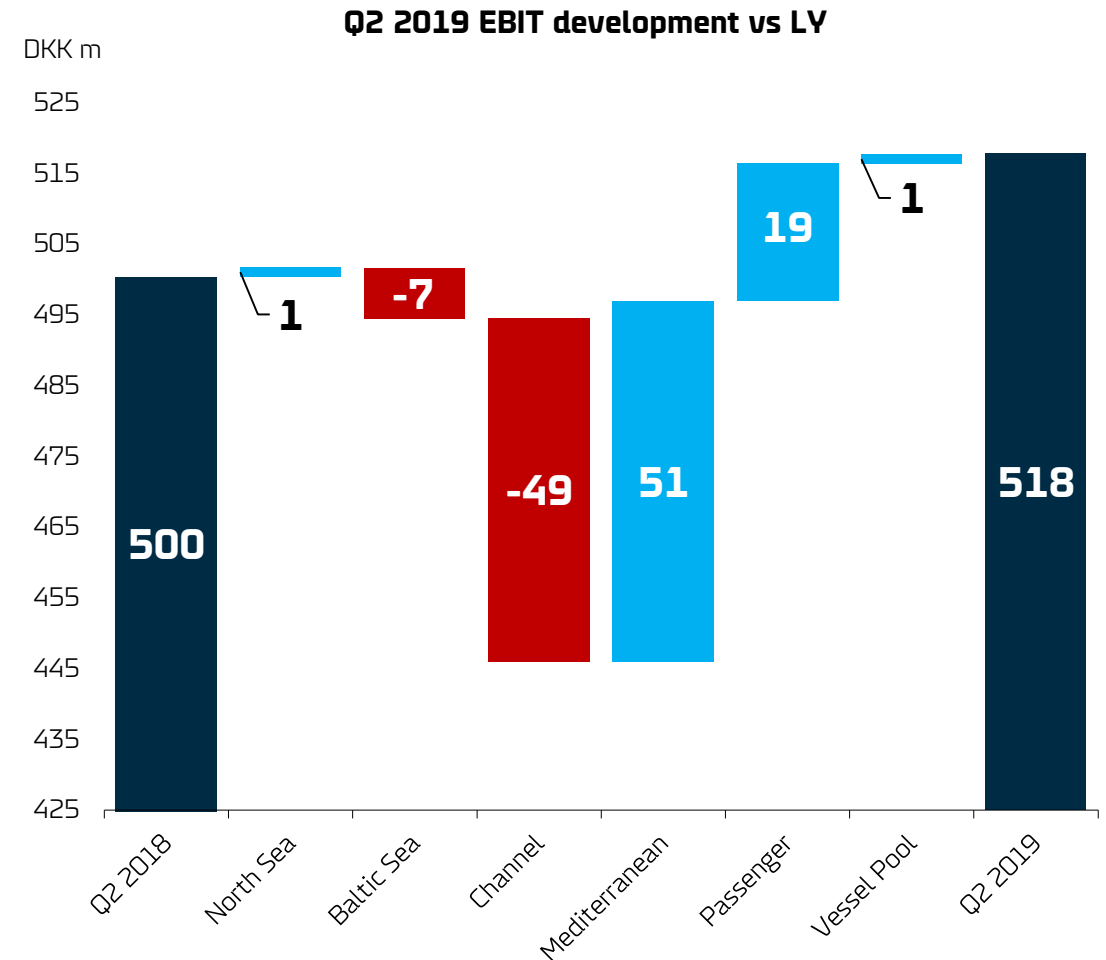


Q&A



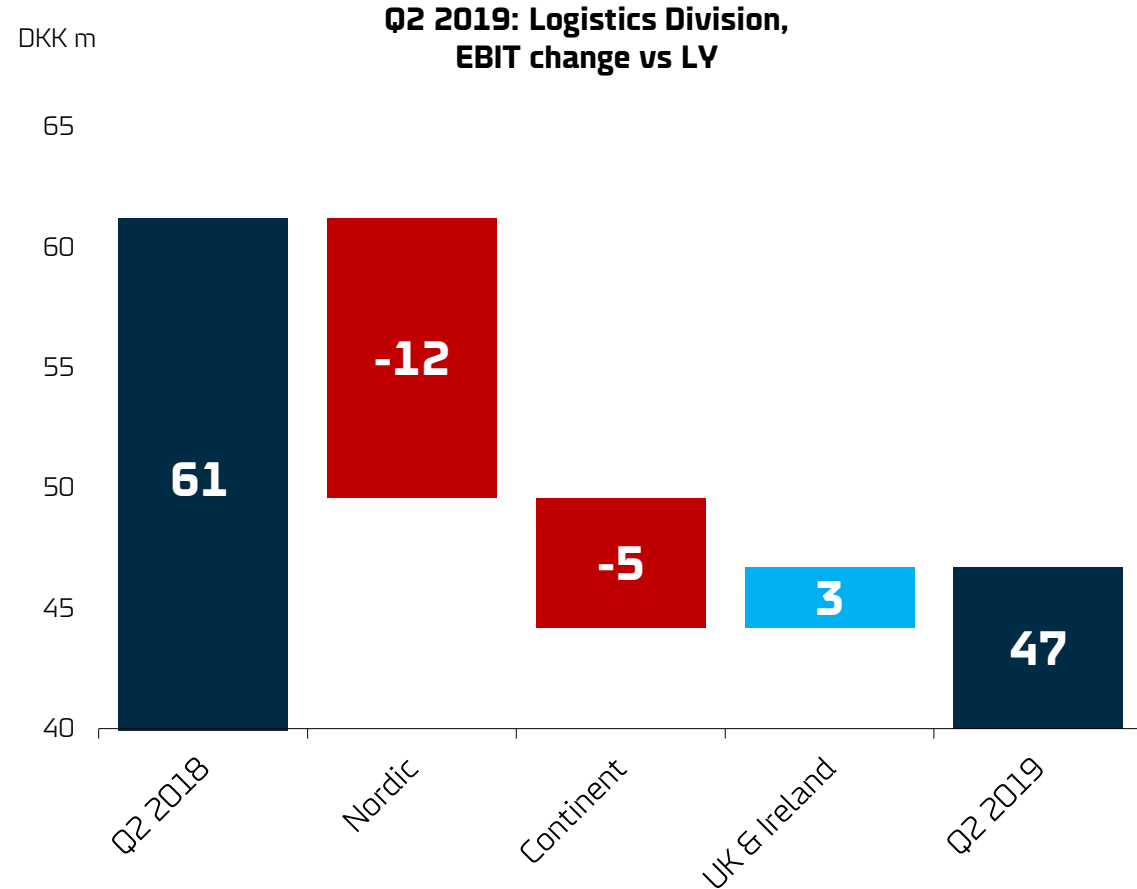
Ferry Division – Q2 EBIT up 3% to DKK 518m

- **North Sea +1m:** Lower volumes from mainly UK stockpiling reversal. Mitigation from DfT agreement
- **Baltic Sea -7m:** Lower freight earnings partly offset by improved pax performance
- **Channel -49:** Lower freight volumes and slowdown in pax market. Market shares reduced in both markets
- **Mediterranean +51m:** FY positive impact
- **Passenger +19m:** Positive Easter impact and continued growth in Q2



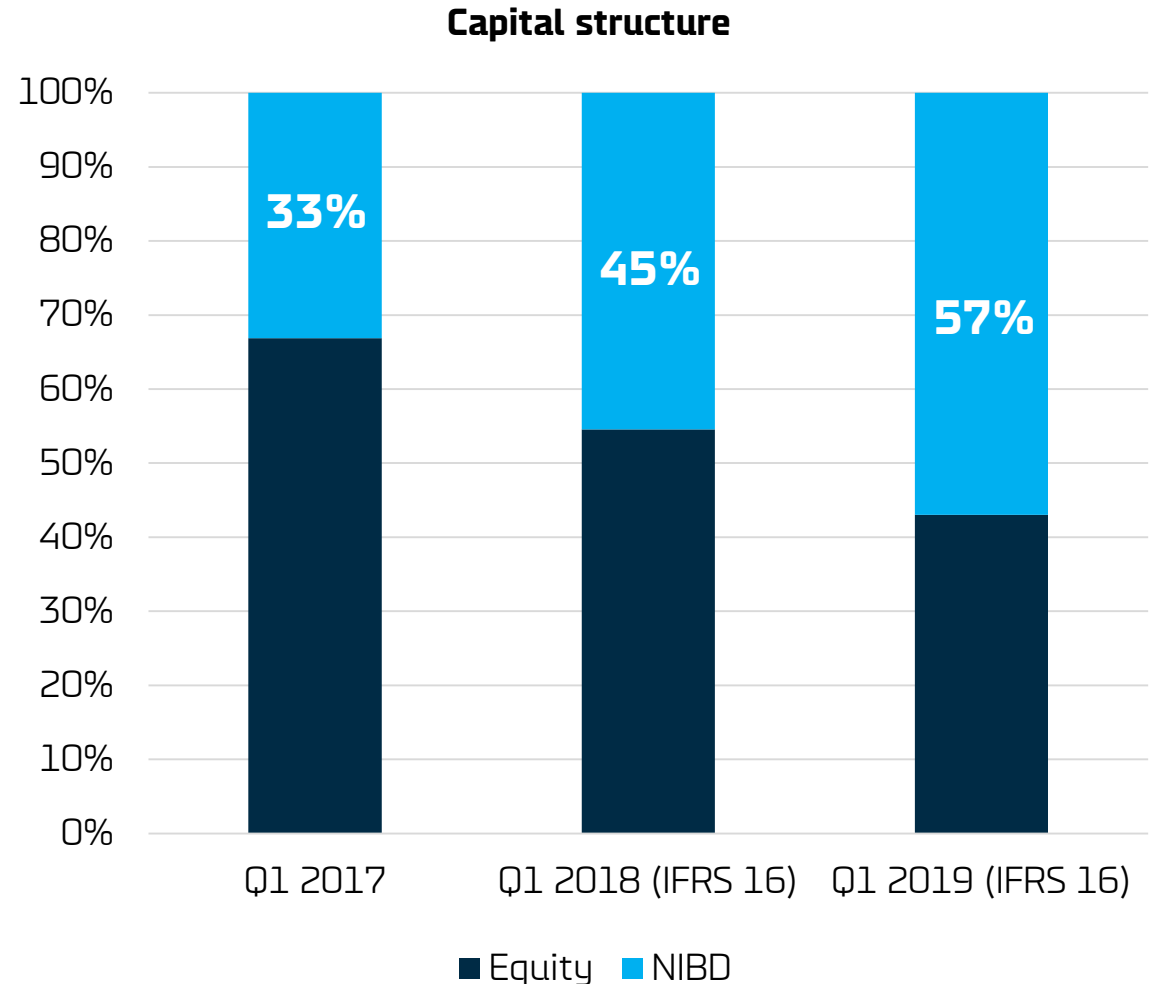
Logistics Division – Q2 EBIT down DKK 14m to DKK 47m

- **Nordic -12m:** Negative impact from reversal of UK stockpiling. Lower activity due to high volumes for large logistics contract in Q2 2018
- **Continent -4m:** Negative impact from reversal of UK stockpiling
- **UK & Ireland +3m:** Improved performance in most areas but import volumes lower



Significant change in financial leverage resets ROIC target

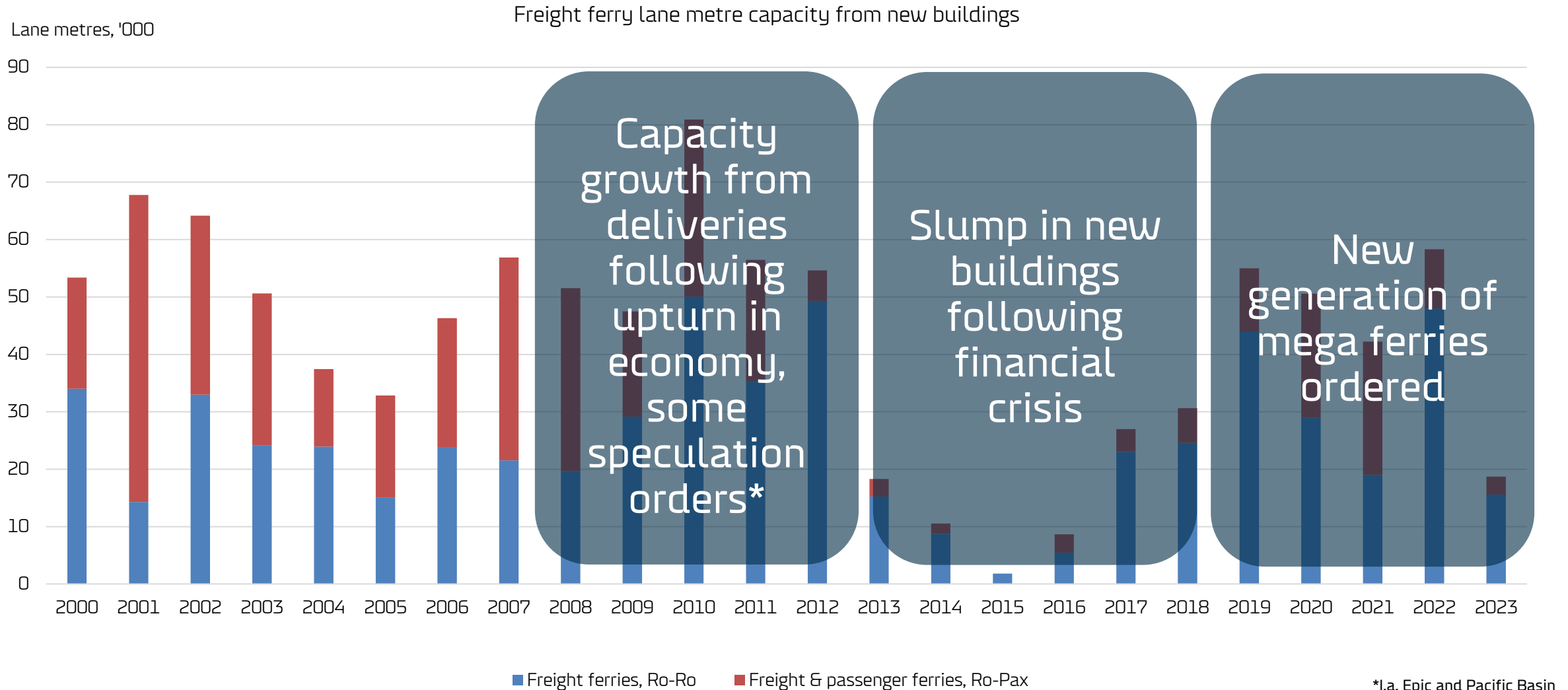
- WACC reduced by significant increase in leverage following UNRR acquisition
- ROIC minimum target reset to 8% from previously 10%
- EBITDA-ambition of DKK 5.5bn equals ROIC of 13-14%
- WACC currently calculated at 5.0%



New building deliveries – ro-ro and ro-pax



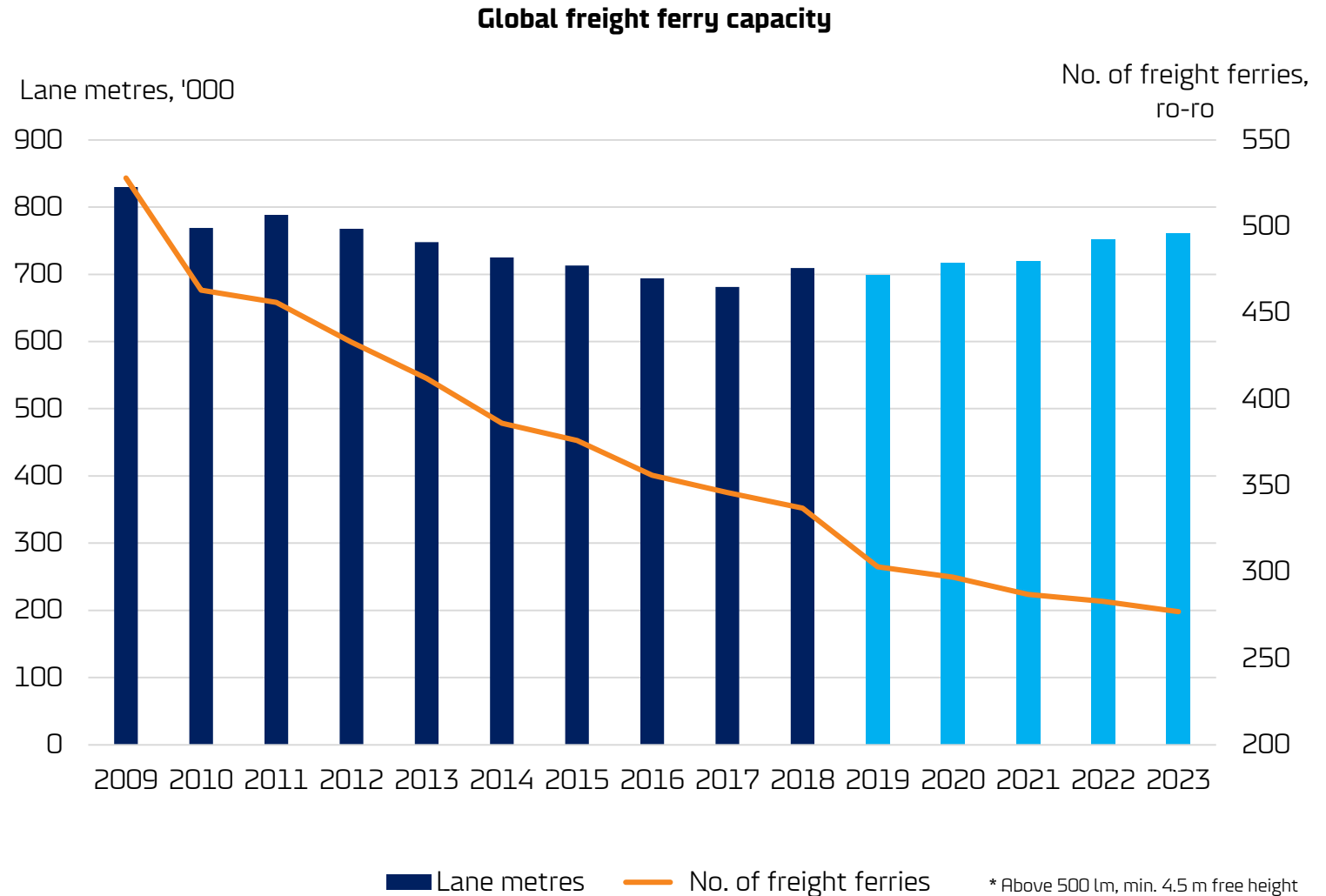
New building deliveries – ro-ro and ro-pax



*I.a. Epic and Pacific Basin

Growth of global freight ferry capacity* - ro-ro

- LM CAGR 2009-2018: -1.7%
- Forecast for LM CAGR 2019-2023: +1.4%
- No. of freight ferries forecast to be halved in 2023 vs 2009
- Forecast assumes ferries above 30 years scrapped



* Above 500 lm, min. 4.5 m free height on main deck, straight stern ramp and SOLAS compliant