

# STRONG Q1 GROWTH

DFDS GROUP  
Q1 2018

9 May 2018

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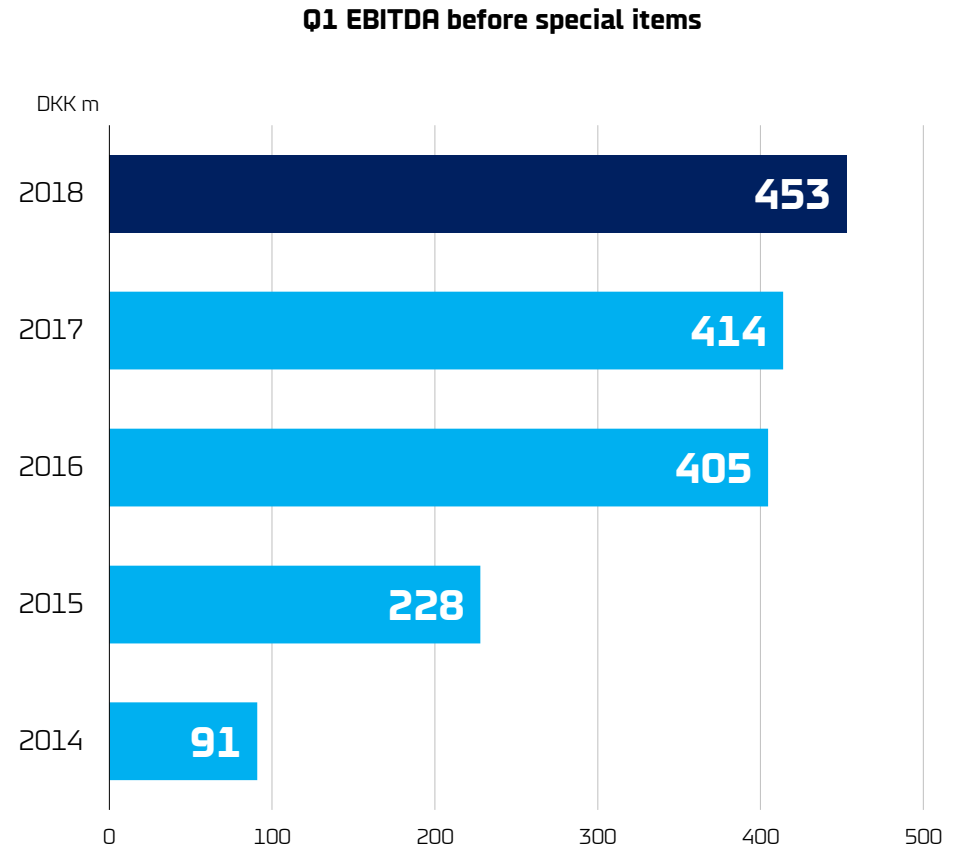
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The statements about the future in this announcement contain risks and uncertainties.  
This entails that actual developments may diverge significantly from statements about the future.

# Strong start to year - Q1 ahead of last year

- **Organic revenue growth** of 9%, a highlight of Q1
- **Easter** timing difference estimated to have a net positive impact, although some offset from very cold weather in March
- **Primula ferry collision** effects entailed a one-off cost of DKK 15m on EBITDA-level
- **Q1 EBITDA up 10% to DKK 453m**
- **Ferry routes** overall ahead of 2017 with Channel as a key driver
- **Logistics'** performance very strong in Q1 driven by several large logistics contracts and continued growth
- **Revenue growth outlook** raised to 4% from 2%, excluding U.N. Ro-Ro



# Q1 2018 numbers: Topline growth drives improved earnings

- **8.8% organic revenue growth**, adjusted\*.  
Reported revenue up 8.2%
- **EBITDA** increased 10% to DKK 453m
- **Depreciation** increase of DKK 7m mainly due to Special Cargo acquisition and higher IT/digital depreciations
- **Special items** include costs for restructuring of Italian logistics activities and corporate functions
- **Profit before tax** up 18% to DKK 204m before special items
- **ROIC** improved to 19.3% from 17.6% in Q1 2017 before special items

DKK m	Q1 18	Q1 17	Change vs LY	Change %
REVENUE	3,485	3,220	265	8%
<b>EBITDA BEFORE SI</b>	<b>453</b>	<b>414</b>	<b>39</b>	<b>10%</b>
margin, %	13.0	12.9	0.2	n.a.
P/L associates	3	6	-3	n.a.
Gain/loss asset sales	2	4	-2	n.a.
Depreciations	-243	-236	-7	-3%
<b>EBIT BEFORE SI</b>	<b>216</b>	<b>189</b>	<b>27</b>	<b>14%</b>
margin, %	6.2	5.9	0.3	n.a.
Special items	-27	-6	-21	n.a.
EBIT	189	183	6	3%
Finance	-12	-16	4	27%
<b>PBT BEFORE SI</b>	<b>204</b>	<b>173</b>	<b>31</b>	<b>18%</b>
<b>PBT</b>	<b>178</b>	<b>167</b>	<b>11</b>	<b>6%</b>
EMPLOYEES avg., no.	7,317	7,015	302	4%
INVESTED CAPITAL	9,165	9,180	-15	0%
<b>ROIC LTM ex. SI, %</b>	<b>19.3</b>	<b>17.6</b>	<b>1.7</b>	<b>n.a.</b>
NIBD	2,630	3,007	-377	-13%
<b>NIBD/EBITDA, times</b>	<b>1.0</b>	<b>1.2</b>	<b>-0.2</b>	<b>n.a.</b>
SOLVENCY, %	49	47	1	n.a.

4 \* For currency, an acquisition, divested Belfast reefer activity and excluding revenue from bunker surcharges

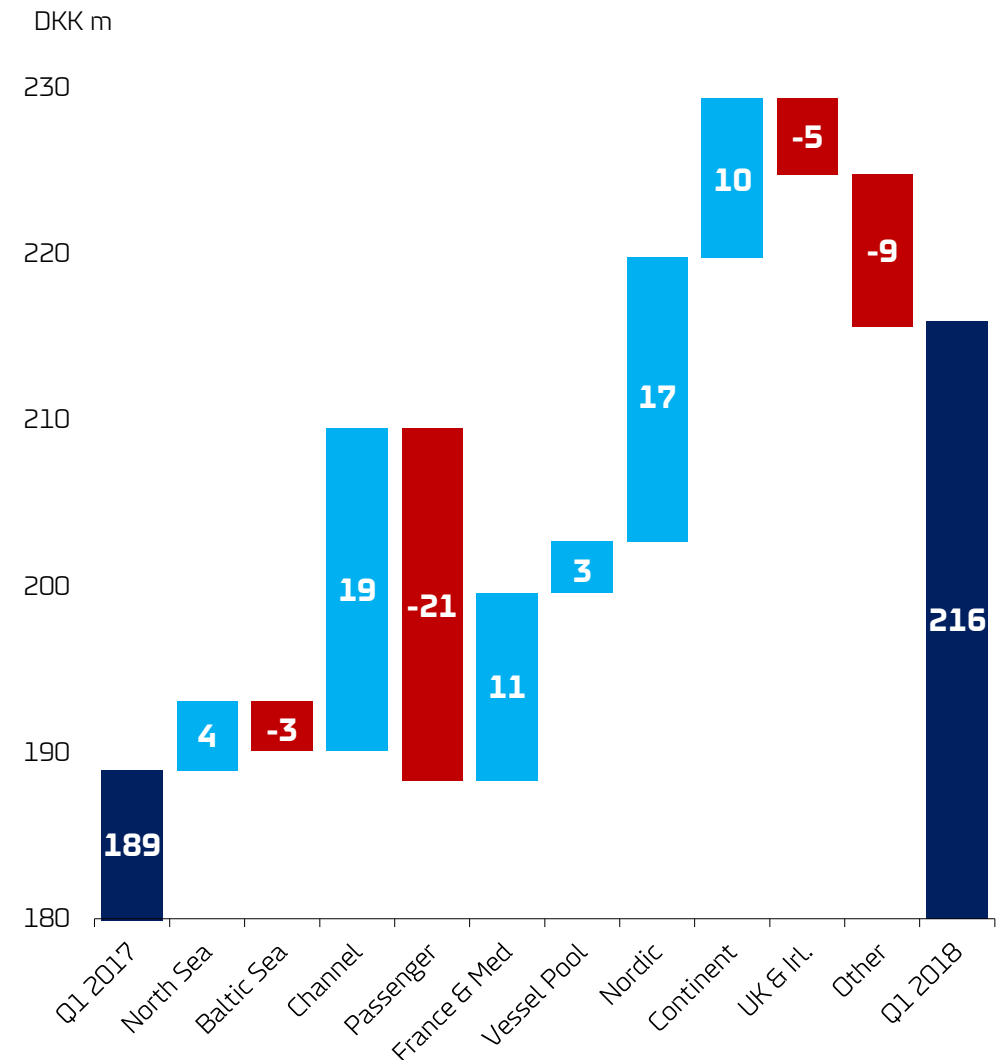
SI: Special items. PBT: Profit before tax. NIBD: Net interest-bearing debt.



# Channel and Logistics key Q1 EBIT improvement drivers

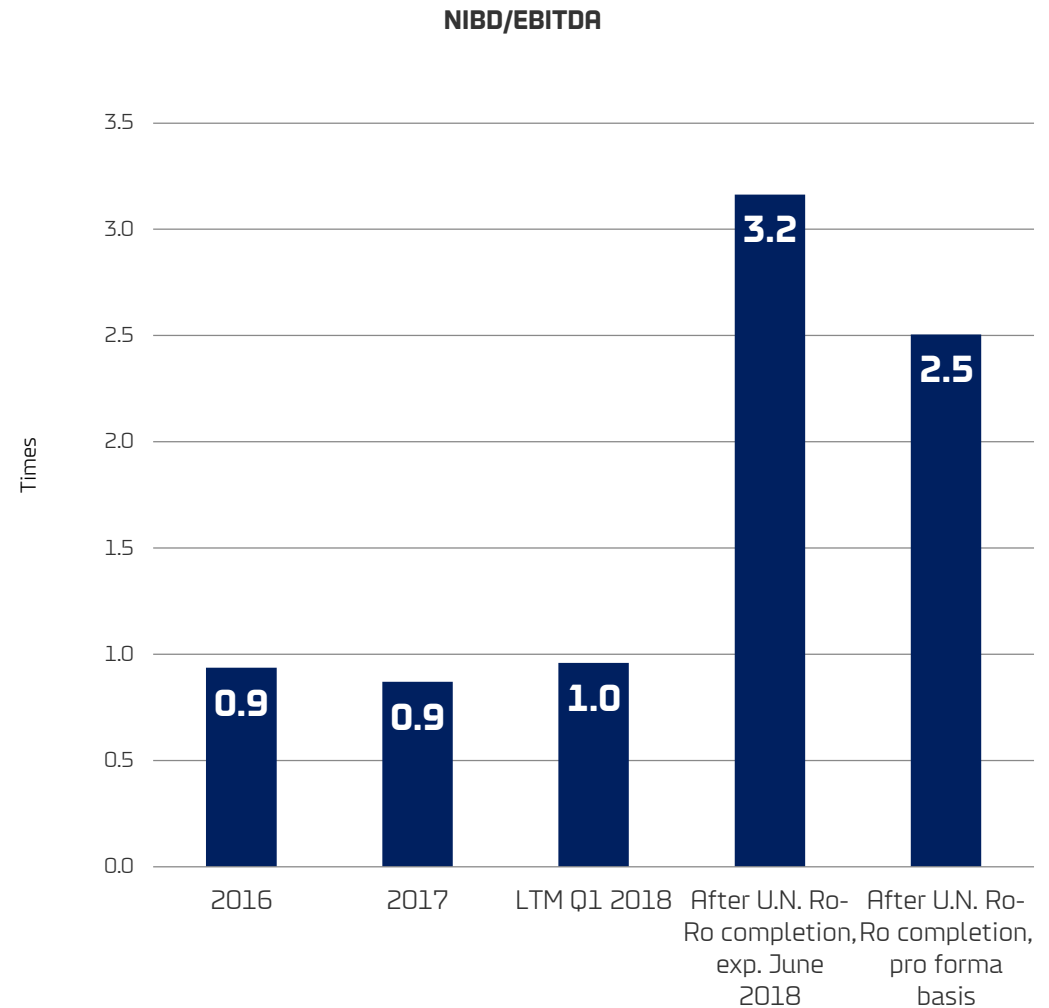
- **North Sea +4m:** Result includes a DKK 15m one-off cost for effects of Primula ferry collision and, in addition, a negative Easter impact
- **Channel +19m:** Positive impact from Easter. Freight volumes boosted by reduced competitor capacity during Q1
- **Passenger -21m:** Result reduced by extra costs for bunker, maintenance and yield management project
- **France & Med +11m:** Positive Easter impact and cost savings
- **Nordic +17m:** Strong result from additional contract logistics activities
- **Continent +10m:** Strong UK-Continent trading and contract logistics activities plus addition of Special Cargo

Q1 2018 DFDS Group EBIT development vs LY



# Capital structure aligned with target leverage

- U.N. Ro-Ro enterprise value of EUR 950m
- Planned dividend for August suspended and share buyback cancelled
- Board will in **February 2019** review capital structure and capital distribution
- **Share issue** of DKK 1.0bn planned subsequent to EGM decision 14 May 2018. Lauritzen Foundation to participate pro rata with around DKK 400m
- **NIBD/EBITDA multiple** expected to be 2.5 on pro forma basis upon completion expected June 2018



# Key growth and efficiency events shaping 2018 & beyond

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## Growth from acquisitions

- Special Cargo: operator of flatbed trailers in Europe, consolidated 3 January 2018
- U.N. Ro-Ro: freight ferry routes connecting Europe and Turkey, closing expected June 2018
  - Currently planning for integration
  - Integration to start immediately after closing
- Financial flexibility maintained to pursue further opportunities

## Growth from ferry new building orders

- 4 freight ferries (ro-ro), from early 2019
- 2 combined freight and passenger ferries (ro-pax), from 2021
- 1 Channel ferry, 10-year bareboat charter, from 2021
- Further options available

## Operational efficiency

- Italian logistics activities restructured
- Boost projects for challenged logistics activities
- Corporate functions restructured
- Rosyth-Zeebrugge route closed
- Starlight: On board customer service and revenue project

## Digital

- Ongoing investment in digital customer solutions
- Realise long-term digital strategy

# EBITDA outlook for 2018 of DKK 3,000-3,200m

- **European GDP** growth still expected to be around 2% in 2018
- Growth projections for **UK economy** of around 1.5%
- **Revenue growth** outlook raised to 4% excl. U.N. Ro-Ro and to 10% incl. U.N. Ro-Ro
- **EBITDA range** of DKK 2,650-2,850m excl. U.N. Ro-Ro changed to DKK 3,000-3,200m incl. U.N. Ro-Ro
- Development of **digital and IT** capabilities progressing as planned
- **Investments** forecast at DKK 5.2bn incl. U.N. Ro-Ro's equity value of DKK 3.7bn and lengthening of two U.N. Ro-Ro freight ferries

## OUTLOOK 2018 – including U.N. Ro-Ro

- Revenue growth of around 10%
- EBITDA range of DKK 3,000-3,200m
  - Shipping Division: DKK 2,825-2,975m
  - Logistics Division: DKK 275-325m
  - Non-allocated items: DKK -100m
- Investments of DKK 5.2bn



# Priorities 2018

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- Integrate **U.N. Ro-Ro**
- Realise our next steps in **digital strategy**
- **Customer** satisfaction – grow the topline
- Continue push for **efficiency** improvements
- Improve performance of **Passenger** business unit
- Pursue new **logistics** contracts
- Preparing for delivery beginning 2019 of two freight **new buildings** (ro-ro)
- Succeed with value-creating **M&A**



Q&A

