

MANAGING THROUGH COVID-19

- Short term focus on mitigating earnings and cash impacts
- All freight activities continue operations
- Financial position remains strong
- Full-year EBITDA is likely to be reduced towards DKK 2bn
(2019: DKK 3.6bn)



Highlights Q1

Q1 2020

- Revenue down 1% to DKK 3.8bn
- EBITDA down 10% to DKK 610m
- Passenger earnings reduced by travel restrictions
- Improved result for Baltic Sea

Outlook 2020

- EBITDA is likely to be reduced towards DKK 2bn (2019: DKK 3.6bn)
- Investments of around DKK 1.6bn (previously DKK 2.3bn)

“We are adapting operations to secure continued reliable and efficient transportation across Europe. With our strong network and experienced people, we are well positioned to meet both challenges and opportunities.”

Torben Carlsen, CEO

Revenue decreased 1% to DKK 3.8bn in Q1 and EBITDA before special items decreased 10% to DKK 610m. Covid-19 had up until mid-March a limited impact on revenue and earnings, particularly on freight. From mid-March, two passenger routes were suspended and passenger travel on other routes was reduced to only essential travel. Freight activities were also negatively impacted from mid-March.

Outlook 2020

Due to the current exceptionally high uncertainty, the outlook and its assumptions may change significantly as the year progresses.

EBITDA before special items for 2020 is likely to be reduced towards DKK 2bn. The outlook – that is significantly more uncertain than usual – builds on a number of assumptions of which key elements are freight volumes and the impact of travel restrictions on passenger route operations and volumes.

The current suspension of passenger activity has a significant financial impact that may amount to up to around 60% of the potential decrease in EBITDA in 2020 compared to 2019.

The outlook assumptions are detailed on page 8.

KEY FIGURES

DKK m	2020	2019		2019-20	2018-19		2019
Before special items	Q1	Q1	Δ %	LTM	LTM	Δ %	FY
Revenue	3,813	3,870	-1.5%	16,535	16,102	2.7%	16,592
EBITDA	610	677	-9.9%	3,565	3,668	-2.8%	3,633
EBIT	133	234	-43.1%	1,650	1,969	-16.2%	1,751
Profit before tax	98	159	-38.3%	1,411	1,697	-16.8%	1,472

7 May 2020. Conference call today at 10.00am CET

Access code: 83076826# Phone numbers to the call: DK +45 35445577, US +1 631 913 1422, UK +44 333 300 0804

Key figures

DKK m	2020 Q1	2019 Q1	2019-20 LTM	2019 Full year
Income statement				
Revenue	3,813	3,870	16,535	16,592
• Ferry Division*	2,692	2,755	12,135	12,197
• Logistics Division*	1,330	1,302	5,145	5,116
• Non-allocated items	139	135	544	540
• Eliminations	-348	-321	-1,289	-1,262
Operating profit before depreciation (EBITDA) and special items	610	677	3,565	3,633
• Ferry Division*	528	591	3,191	3,254
• Logistics Division*	91	101	411	421
• Non-allocated items	-10	-16	-37	-42
Profit/loss on disposal of non-current assets, net	2	1	6	6
Operating profit (EBIT) before special items	133	234	1,650	1,751
Special items, net	-2	-15	-87	-101
Operating profit (EBIT)	131	219	1,563	1,650
Financial items, net	-35	-75	-239	-278
Profit before tax	96	144	1,324	1,371
Profit for the period	81	120	1,274	1,313
Profit for the period excluding non-controlling interest	78	120	1,266	1,309
Capital				
Total assets	26,574	25,549	-	26,863
DFDS A/S' share of equity	10,279	8,963	-	10,276
Equity	10,362	9,042	-	10,356
Net interest-bearing debt	12,308	11,979	-	11,954
Invested capital, end of period	22,822	21,159	-	22,476
Invested capital, average	22,649	19,533	21,910	20,927

DKK m	2020 Q1	2019 Q1	2019-20 LTM	2019 Full year
Cash flows				
Cash flows from operating activities, before financial items and after tax	433	673	3,018	3,258
Cash flows from investing activities	-631	-818	-2,463	-2,651
• Acquisition of enterprises and activities	-14	0	-146	-131
• Other investments, net	-616	-818	-2,317	-2,519
Free cash flow	-197	-145	555	607
Key operating and return ratios				
Average number of employees	8,577	8,222	8,335	8,367
Number of ships	71	75	-	70
Fuel consumption per nautical mile (g/GT/Nm)	4.74	5.03	4.69	4.76
Revenue growth (reported), %	-1.5	11.0	-0.3	5.6
EBITDA-margin, %	16.0	17.5	21.6	21.9
Operating margin, %	3.5	6.0	10.0	10.6
Revenue/invested capital average, (times)	-	-	0.8	0.8
Return on invested capital (ROIC), %	-	-	6.9	7.6
ROIC before special items, %	-	-	7.3	8.1
Return on equity, %	-	-	13.2	13.5
Key capital and per share ratios				
Equity ratio, %	39.0	35.4	-	38.6
Net interest bearing debt/EBITDA, (times)	-	-	3.5	3.3
Earnings per share (EPS), DKK	1.36	2.10	22.13	22.88
Dividend paid per share, DKK	0.00	4.00	0.00	4.00
Number of shares, end of period, '000	58,632	58,632	-	58,632
Weighted average number of circulating shares, '000	57,252	57,177	-	57,196
Share price, DKK	155.0	275.4	-	325.0
Market value	8,885	15,749	-	18,593

* The Norwegian sideport shipping activities have been transferred from the Logistics Division to the Ferry Division per 1 January 2020, 2019 comparative figures have been restated accordingly.

Definitions on page 28.

Management review

Market overview

European trade and travel markets became increasingly impacted by Covid-19 as Q1 progressed and lockdowns were introduced in most countries during March.

Intra-European freight volumes began declining due to the lock-downs during March as demand in general decreased and manufacturers in some industry sectors temporarily closed plants, notably the automotive industry.

These events led in Q1 to varying degrees of impact on freight ferry volumes across European markets. The least impacted region has been the Baltic Sea where freight volumes have remained robust. UK volumes have, as expected, declined through Q1 2020 as Q1 2019 volumes were boosted by UK stockpiling related to Brexit. The UK decline has, however, exceeded the expected decline due to a negative impact from Covid-19, most significantly on the English Channel (Dover Strait) where freight volumes were down 1.3% for the quarter and down 1.7% in March.

Freight volumes between Turkey and Europe increased until mid-March whereafter generally lower demand, plant closures and travel restrictions for truck drivers reduced volumes.

Travel markets became increasingly restricted during March and only essential travel is currently permitted which has led to suspension of several ferry routes carrying an overweight of passengers.

As the number of cases of Covid-19 has peaked in most European countries, the focus is now shifting to strategies for rolling back lockdowns.

Visibility on the duration of lockdowns for travel and how travel markets will react to a reopening is very limited as preferences and behaviours may have been impacted by Covid-19.

Freight volumes are expected to pick up as economies are reopened but visibility on the speed and strength of such a pick-up is likewise still very limited.

The largest changes in average exchange rates in Q1 2020 vs Q1 2019 was a depreciation of NOK/DKK by 6.3% while SEK/DKK depreciated 2.2%.

Major events in Q1

Two passenger routes suspended

Due to travel restrictions, the Copenhagen-Oslo and Amsterdam-Newcastle routes were suspended from mid-

March. The ferry routes on the English Channel and the Baltic Sea continue to carry passengers for essential travel purposes.

Outlook 2020 suspended due to spread of Covid-19

DFDS' outlook for 2020 was temporarily suspended on 18 March 2020 following an exceptional rise in uncertainty due to the introduction of lockdowns across Europe in response to Covid-19.

Major events after Q1

On 21 April 2020, an update on the impact of Covid-19 was provided, including an overview of operational measures to adapt to market changes and an update on the financial position.

Adaption of activities to Covid-19

To adapt activities to the lock-downs, a number of measures have been and are being taken:

- Throughout operational sites — including freight ferry routes, port terminals, and logistics solutions such as forwarding and warehousing operations — we continue to operate by strictly following authorities' enhanced health procedures and guidelines to ensure safe and reliable operations

- For office employees, authorities' guidelines are likewise applied to ensure employee health and well-being such as travel restrictions, working from home, split teams and enhanced hygiene
- Suspension since mid-March of two routes, Copenhagen-Oslo and Amsterdam-Newcastle, with a large over-weight of passengers vs freight
- Freight capacity reduced since end-March/beginning-April in remaining network of 20 ferry routes that predominantly carry freight. Capacity is reduced through lay-up of currently 12 of 50 ferries as well as other measures to reduce the number of sailings. All 20 routes continue to operate
- Channel and Baltic Sea passenger activity reduced to only essential travel. Reduced number of drivers per cabin in Baltic Sea
- Participation in government wage and fixed cost compensation programs to preserve affiliation with employees and mitigate financial impacts. Compensation very limited in Q1 2020
- Around 2,200 employees so far sent on paid leave within such programs in areas with reduced activity
- Contingency planning for reduction of logistics capacity ongoing, including equipment and warehousing. Primary change so far is suspension of a large part of the cross-docking operation in Gothenburg
- Cost saving and postponement initiatives, including hiring freeze.

Solid financial position

DFDS maintains a solid position with regard to both liquidity resources and financial flexibility to meet challenges

and opportunities that may arise from present and future market conditions.

At the end of Q1 2020, liquidity resources amounted to DKK 1.7bn consisting of cash and cash equivalents of DKK 0.3bn and undrawn committed credit facilities of DKK 1.4bn. In April and May, additional committed facilities of a minimum of DKK 1bn have been secured.

The covenants of a loan agreement — entered into in June 2018 in connection with the acquisition of U. N. Ro-Ro — have been adapted to reflect the uncertainty caused by Covid-19. No other loan agreements contain relevant covenant risk.

Sale of ferry completed

In September 2019, DFDS entered into an agreement to sell a combined freight and passenger ferry (ro-pax) — Liverpool Seaways, built 1997 — to La Meridionale. The ferry was delivered to the new owner on 5 May 2020. As agreed, the sales price was DKK 225m and an accounting profit of around DKK 100m from the sale will be recorded under Special items in Q2 2020 report.

General meeting and dividend

DFDS' annual general meeting (AGM) scheduled for 18 March 2020 was cancelled on 13 March as a consequence of restrictions on the assembly of large groups introduced on account of Covid-19. Since then the statutory deadline for convening general meetings has been extended. The

Board of Directors has decided to convene the annual general meeting on 4 June 2020. A notice for the rescheduled general meeting will be announced shortly.

In view of the reduced operational and financial visibility, the Board of Directors has decided not to propose payment of a dividend at the annual general meeting.

Strategy to be revisited

In June 2019, a new set of strategic initiatives and financial ambitions were announced.

Most parts of the strategy's four strategic pillars will, continue to guide DFDS' direction. This includes the focus on growth in select industries and the digitisation of services and operations.

In view of current events and the change of priorities to adapt to immediate markets changes and customer needs, the financial ambitions of the Win23 strategy will be revisited once markets stabilise.

Financial performance

Revenue

The Group's Q1 revenue was DKK 3,813m, a decrease of 1.5% compared to 2019.

Ferry Division's Q1 revenue decreased 2.3% to DKK 2,692m mainly due to a drop in passenger revenue in March following restrictions on passenger travel. Freight revenue was overall on level with 2019. Continued growth in the Mediterranean business unit, including higher revenue from bunker surcharges following the transition to new IMO rules from the start of 2020, and a new route between Sweden and Belgium offset lower volumes in other regions, particularly in the Channel business unit.

Logistics Division's Q1 revenue increased 2.2% to DKK 1,330m mainly driven by revenue from two companies acquired at the end of 2019.

Operating profit before depreciation (EBITDA) and special items

The Group's Q1 EBITDA decreased 10% to DKK 610m from DKK 677m in 2019.

Ferry Division's Q1 EBITDA decreased 11% to DKK 528m. Around half of the decrease was due to lower passenger earnings as travel became restricted from mid-March. The remaining decrease was driven by lower freight earnings as a higher result in Baltic Sea was more than offset by lower results for Channel and North Sea. A large part of the decrease in the latter two business units was due to

Revenue

DKK m	Q1 2020	Q1 2019	Change, %	Change
Ferry Division*	2,692	2,755	-2.3	-62
Logistics Division*	1,330	1,302	2.2	28
Non-allocated items	139	135	3.4	5
Eliminations	-348	-321	-8.4	-27
DFDS Group	3,813	3,870	-1.5	-57

* The Norwegian sideport shipping activities have been transferred from the Logistics Division to the Ferry Division per 1 January 2020, 2019 comparative figures have been restated accordingly.

increased earnings in Q1 2019 from stockpiling in UK related to Brexit. Mediterranean was on level with 2019.

Logistics Division's Q1 EBITDA decreased 10% to DKK 91m due to a lower result for the Continent business unit that was negatively impacted by the special cargo activity, including one-off costs.

Depreciation and operating profit (EBIT) before special items

Depreciation in Q1 of DKK 477m increased 7% compared to 2019 mainly due to the delivery of freight ferry new-buildings and the acquisition of two logistics companies at the end of 2019 that both have a high share of leased assets.

The Group's Q1 EBIT before special items decreased 43% to DKK 133m.

Special items and operating profit (EBIT) after special items

In Q1 2020, special items were a net cost of DKK 2m.

The Group's Q1 EBIT after special items decreased 40% to DKK 131m.

Financial items

Total finance, net in Q1 was DKK -35m which was an improvement of DKK 40m compared to Q1 2019 following a positive variance on net currency adjustments of DKK 40m mainly related to the depreciation of NOK and GBP against EUR.

Profit before and after tax

The Q1 profit before special items and tax decreased 38% to DKK 98m. The profit after special items and tax decreased 32% to DKK 81m.

Earnings per share

Q1 earnings per share (EPS) decreased 35% to DKK 1.36 compared to DKK 2.10 in Q1 2019.

Cash flow and investments

The Q1 cash flow from operating activities was DKK 433m, including negative cash flows from a change in working capital of DKK 116m and cash settlement of accruals related to Special items of DKK 52m in 2019.

The Q1 free cash flow (FCFF) was DKK -197m and DKK -381m adjusted for payment of lease liabilities including interest. Net investments amounted to DKK 631m that included DKK 546m of ship investments of which DKK 319m was for ferry newbuildings and DKK 72m was for scrubbers.

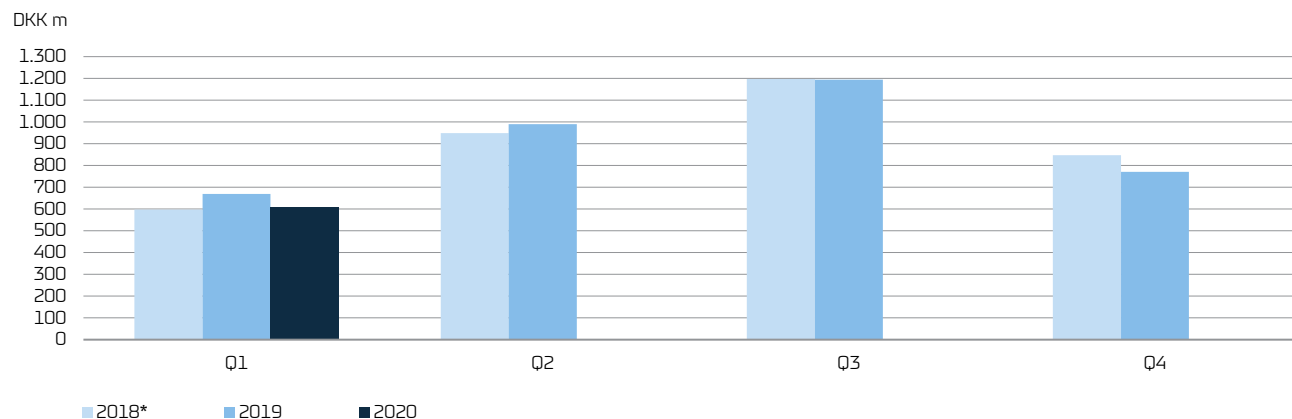
The Q1 cash flow from financing activities was negative by DKK 295m as the net cash flow from loans amounted to DKK 131m and payment of lease liabilities was DKK 165m. The Q1 net cash flow was negative by DKK 559m which reflects that Q1 investments to a large extent were paid in cash. Cash and cash equivalents thus amounted to DKK 280m at the end of the quarter.

Invested capital and ROIC

Invested capital was DKK 22.8bn at the end of Q1 2020. Compared to year-end 2019, the invested capital increased 2% mainly due to a higher working capital. The average invested capital in Q1 2020 increased 8% to DKK 22.6bn compared to 2019.

In Q1 2020, the return on invested capital, ROIC, for the last twelve months was 7.3% before special items compared to 8.1% for 2019.

DFDS GROUP - EBITDA BEFORE SPECIAL ITEMS



* Comparative 2018 numbers are restated to IFRS 16 on a proforma and unaudited basis

Operating profit before depreciation (EBITDA) & special items

DKK m	Q1 2020	Q1 2019	Change, %	Change
Ferry Division*	528	591	-10.7	-63
Logistics Division*	91	101	-9.8	-10
Non-allocated items	-10	-16	36.0	6
DFDS Group	610	677	-9.9	-67
EBITDA-margin, %	16.0	17.5	n.a.	-1.5

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Associates and joint ventures, profits on disposals and depreciation

DKK m	Q1 2020	Q1 2019	Change, %	Change
EBITDA before special items	610	677	-9.9	-67
Associates and joint ventures	-2	2	n.a.	-4
Profit on disposals	2	1	40.0	0
Depreciation and impairment	-477	-447	-6.8	-30
EBIT before special items	133	234	-43.1	-101

Financial items

DKK m	Q1 2020	Q1 2019	Change, %	Change
Interests, net	-61	-60	-1.9	-1
Foreign exchange gains/losses, net	30	-10	n.a.	40
Other items, net	-4	-5	23.1	1
Total finance, net	-35	-75	53.2	40

Capital structure

At the end of Q1 2020 net-interest-bearing debt (NIBD) was DKK 12.3bn, an increase of 3% compared to year-end 2019 driven by the increase in the invested capital.

Financial leverage, as measured by the ratio of NIBD to EBITDA before special items, was a ratio of 3.5 compared to 3.3 at year-end 2019. The equity ratio was 39% at the end of Q1 2020 which was on level with year-end 2019.

Equity

Equity amounted to DKK 10,362m at the end of Q1 2020, including non-controlling interests of DKK 83m. This was on level with year-end 2019 as both total comprehensive income and transactions with owners in the quarter were close to zero.

Management shareholdings

Current holdings of DFDS shares for members of DFDS' Executive Board are available at

<https://www.dfds.com/group/about/management>.

Outlook 2020

Due to the current exceptionally high uncertainty, the outlook and its assumptions may change significantly as the year progresses.

The result for 2020 is going to be negatively impacted by varying degrees of lower activity in our markets for both freight and passengers.

In view of the current exceptionally high uncertainty, the outlook is solely focused on EBITDA for the DFDS Group as a whole and on investments.

EBITDA before special items for 2020 is likely to be reduced towards DKK 2bn.

The outlook – that is significantly more uncertain than usual – builds on a number of assumptions. A key element is freight ferry and logistics volumes that in March 2020, on a comparable basis, were down 11% and on level compared to 2019, respectively. In April 2020, freight ferry volumes were down 24% and logistics volumes were down 38%, both on a comparable basis.

A gradual recovery is expected from June until the end of 2020. Volume growth rates are expected to remain negative through this period and for the full-year 2020, freight ferry volumes are currently assumed to decrease by around 15%. Logistics volumes are assumed to decrease around the same level.

The two suspended passenger routes are currently assumed to resume operations in August with a slow, gradual ramp-up of capacity. Passenger volumes on the Channel are likewise assumed to slowly ramp-up from August.

The current suspension of passenger activity and the slow ramp-up has a significant financial impact that may amount to up to around 60% of the potential decrease in EBITDA in 2020 compared to 2019.

Investments are expected to be around DKK 1.6bn in 2020 which is DKK 0.2bn lower than previously announced as delivery of a sixth freight ferry newbuilding, scheduled for delivery towards the end of 2020, is no longer assumed to take place in 2020.

Various risks and uncertainties pertain to the outlook.

The most important among these are possible major changes in the demand for ferry and logistics services. For DFDS, such demand is to a large extent linked to the level of economic activity in primarily Europe, especially northern Europe and in particular UK, as well as adjacent regions, including Turkey. Demand can also be impacted by competitor actions and extraordinary events such as virus outbreaks.

The outlook can moreover be impacted by political changes, first and foremost within EU and Turkey. In that regard, Brexit continues to constitute an important risk.

Changes in economic variables, especially the oil price and exchange rates, can furthermore impact earnings.

Future financial results may therefore differ significantly from expectations.

Fourth freight ferry newbuilding delivered

To renew the fleet and to reduce the environmental impact and cost per transported freight unit, a series of six freight ferry newbuildings have been ordered. The fourth of these, named Humbria Seaways, was delivered and deployed in Q1 2020



Ferry Division

The division is organised in five business units:

- North Sea
- Baltic Sea
- Channel
- Mediterranean
- Passenger

Q1 market, activity and result trends

North Sea

Q1 freight volumes were 0.7% above 2019 and down 6.1% adjusted for the new route between Gothenburg and Zeebrugge. Volumes were as expected below 2019 due to the volume boost from UK stockpiling in the comparison period. In addition, volumes were from mid-March negatively impacted by Covid-19 on most routes, including a negative impact from temporary plant closures in the automotive sector.

Q1 EBIT decreased 22% to DKK 147m mainly due to the lower volumes, particularly in March. The result includes a negative impact from a route opened in June 2019 be-

Ferry

DKK m	2020	2019*				2019-20*	2019*
	Q1	Q1	Q2	Q3	Q4	LTM	Full year
Revenue	2,692	2,755	3,151	3,401	2,891	12,135	12,197
EBITDA before special items	528	591	892	1,093	678	3,191	3,254
Share of profit/loss of associates and joint ventures	-2	2	6	-1	-1	3	6
Profit/loss on disposal of non-current assets, net	0	1	0	1	0	1	2
Depreciation and impairment	-386	-370	-378	-394	-415	-1,574	-1,558
EBIT before special items	140	223	520	698	263	1,621	1,704
EBIT margin before special items, %	5.2	8.1	16.5	20.5	9.1	13.4	14.0
Special items, net	0	0	-6	4	-51	-53	-53
EBIT	140	223	514	702	212	1,568	1,651
Invested capital, average **	20,214	18,895	19,318	19,598	19,901	19,749	19,421
ROIC before special items, % **	-	-	-	-	-	8.1	8.7
Lane metres, '000	10,079	10,593	9,715	10,530	10,442	40,767	41,280
Tons, '000	194	174	185	201	205	785	766
Passengers, '000	579	732	1,390	2,004	991	4,963	5,116

* The Norwegian sideport shipping activities have been transferred from the Logistics Division to the Ferry Division per 1 January 2020, 2019 comparative figures have been restated accordingly.

** Comparative numbers for 2019 includes elements that are based on 2018 numbers restated to IFRS 16 on a proforma and unaudited basis.

tween Sweden and Belgium. This route was as planned re-structured in April 2020 which, all else being equal, is expected to improve the result.

Baltic Sea

Q1 freight volumes were 3.0% below 2019 adjusted for the closure of a space charter agreement between St. Petersburg and Kiel. The volume reduction was driven by a lower market share on the Estonian routes from the start of the year. Market share was regained through the quarter, including a positive impact from a capacity decrease on competing routes towards the end of the quarter. Volumes on the other routes were above 2019, also due to

queues on the border between Poland and Germany. Passenger volumes were due to lockdowns reduced to essential travel and down 8.0% following lower volumes on three of four routes.

Q1 EBIT increased 42% to DKK 57m mainly due to lower costs compared to Q1 2019 that included one-off costs related to extra dockings and replacement ferries.

Channel

Q1 freight volumes were 10.1% below 2019. Volumes were as expected below 2019 due to the volume boost from UK stockpiling in the comparison period. In addition,

volumes were from mid-March negatively impacted by Covid-19.

Passenger volumes were down 21.5% which was entirely due to a decrease in March as volumes for the first two months of the year were on level with 2019.

Q1 EBIT was reduced by DKK 56m to DKK -22m mainly due to the lower volumes for both freight and passengers.

Mediterranean

Q1 freight volumes increased 1.5% as an increase of 9.6% in the first two months of the year was offset by a drop in volumes in March. Volumes were lowered by Covid-19 in March as market demand slowed and customers' trucking operations were impacted by travel restrictions for drivers.

Q1 EBIT increased 19% to DKK 55m as the negative impact from Covid-19 in March was offset by the volume growth of the first two months of the quarter.

Passenger

The number of passengers in Q1 decreased 22.2% as the spread of Covid-19 and travel restrictions began to reduce passengers from the beginning of March and from mid-March both passenger routes — Copenhagen-Oslo and Amsterdam-Newcastle — were suspended.

Q1 EBIT decreased 18% to DKK -130m due to the suspension of routes in March.

Non-allocated items

These items primarily include external charter activities. Q1 EBIT increased 40% to DKK 32m.

Ferry division

DKK m	2020	2019				2019-20	2019
	Q1	Q1	Q2	Q3	Q4	LTM	Full year
North Sea*							
Revenue	1,008	1,007	1,013	974	977	3,972	3,971
EBIT before special items	147	189	201	145	143	637	679
Invested capital**	5,931	5,700	5,816	5,585	5,948	5,796	5,633
ROIC before special items, %**	-	-	-	-	-	10.9	11.9
Lane metres freight, '000	3,350	3,327	3,039	3,214	3,234	12,837	12,815
Tons, '000	194	174	185	201	205	785	766
Baltic Sea							
Revenue	323	350	389	398	335	1,445	1,472
EBIT before special items	57	40	97	125	83	362	345
Invested capital**	1,712	1,322	1,272	1,322	1,283	1,382	1,384
ROIC before special items, %**	-	-	-	-	-	26.0	24.7
Lane metres freight, '000	1,140	1,187	1,171	1,137	1,118	4,566	4,613
Passengers, '000	39	43	68	88	47	242	245
Channel							
Revenue	512	571	638	846	622	2,618	2,678
EBIT before special items	-22	34	31	168	35	212	268
Invested capital**	1,811	1,979	1,854	1,845	1,727	1,843	1,830
ROIC before special items, %**	-	-	-	-	-	11.5	14.6
Lane metres freight, '000	4,404	4,902	4,311	4,945	4,837	18,498	18,995
Passengers, '000	367	468	936	1,490	627	3,420	3,520
Mediterranean							
Revenue	581	515	567	555	542	2,245	2,179
EBIT before special items	55	46	80	76	29	240	231
Invested capital**	9,858	9,047	9,529	9,594	9,833	9,572	9,304
ROIC before special items, %**	-	-	-	-	-	2.4	2.4
Lane metres freight, '000	1,087	1,071	1,060	1,110	1,124	4,381	4,365
Passenger							
Revenue	209	251	497	601	360	1,667	1,709
EBIT before special items	-130	-110	76	149	-57	39	59
Invested capital**	871	704	716	891	860	808	790
ROIC before special items, %**	-	-	-	-	-	4.6	7.1
Lane metres freight, '000	99	106	133	124	129	484	491
Passengers, '000	173	222	386	426	317	1,302	1,351
Non-allocated items							
Revenue	102	107	105	96	153	456	461
EBIT before special items	32	23	34	34	31	131	123

* The Norwegian sideport shipping activities have been transferred from the Logistics Division to the Ferry Division per 1 January 2020, 2019 comparative figures have been restated accordingly.

**Comparative numbers for full year 2019 includes elements that are based on 2018 numbers restated to IFRS 16 on a proforma and unaudited basis. The invested capital in the quarter is shown as per the end of the period. For the full year, the invested capital is shown as an average.

Logistics Division

The division is organised in three business units:

- Nordic
- Continent
- UK & Ireland

Q1 market, activity and result trends

Nordic

The number of transported units in Q1 decreased 1.8%, excluding volumes from a Finnish company acquired at the end of 2019. There was a negative impact from Covid-19 in March in the trailer flows between Scandinavia and UK but this was to a large extent offset by growth in other areas and contract logistics.

Q1 EBIT decreased 24% to DKK 12m mainly due to a lower level of activity for specialised services in Sweden. The result for the Finnish company acquired in 2019 was in line with expectations.

Continent

The number of transported units in Q1 decreased 6.4%, excluding volumes from a Dutch company acquired at the end of 2019. Volumes were as expected below 2019 due to a volume boost from UK stockpiling in the comparison

Logistics

DKK m	2020	2019*				2019-20*	2019*
	Q1	Q1	Q2	Q3	Q4	LTM	Full year
Revenue	1,330	1,302	1,267	1,245	1,303	5,145	5,116
EBITDA before special items	91	101	101	106	112	411	421
Profit/loss on disposal of non-current assets, net	2	1	0	1	2	5	4
Depreciation and impairment	-73	-57	-57	-62	-80	-272	-256
EBIT before special items	20	45	45	45	35	144	170
EBIT margin before special items, %	1.5	3.5	3.5	3.6	2.7	2.8	3.3
Special items, net	0	0	-6	0	0	-6	-7
EBIT	20	45	38	45	35	138	163
Invested capital, average **	1,737	1,473	1,466	1,442	1,562	1,570	1,503
ROIC before special items, % **	-	-	-	-	-	7.5	9.2
Units, '000	134.2	135.1	134.8	137.3	141.1	547.4	548.3

* The Norwegian sideport shipping activities have been transferred from the Logistics Division to the Ferry Division per 1 January 2020, 2019 comparative figures have been restated accordingly.

** Comparative numbers for 2019 includes elements that are based on 2018 numbers restated to IFRS 16 on a proforma and unaudited basis.

period. This reduced volumes between UK and continental Europe mainly impacting the Dutch and German corridors. Special cargo volumes related to the construction sector were also reduced. Container volumes between Ireland and continental Europe were on level with 2019.

Q1 EBIT decreased considerably from DKK 14m in 2019 to DKK -4m. This was mainly due to a lower result for the special cargo activity that was negatively impacted by inefficiencies in its trucking operation, including one-off costs. There was also a negative impact from a slowdown in UK construction. The result for the Dutch company acquired in 2019 was in line with expectations.

UK & Ireland

The number of transported units in Q1 increased 9.8% adjusted for non-comparable items. There was a positive impact from Covid-19 on volumes from producers of frozen

foods and the retail sector. Aquaculture volumes in Scotland were, on the other hand, reduced as volumes for overseas markets and the catering sector dropped due to Covid-19.

Q1 EBIT decreased 24% to DKK 11m as a lower result for Scotland more than offset improved results in most other activities.

Logistics Division

DKK m	2020	2019				2019-20	2019
	Q1	Q1	Q2	Q3	Q4	LTM	Full year
Nordic*							
Revenue	431	402	398	356	387	1,573	1,543
EBIT before special items	12	16	12	12	8	44	48
Invested capital**	465	348	333	280	368	359	359
ROIC before special items, %**	-	-	-	-	-	10.3	11.4
Units, '000 ***	27.7	28.2	27.3	26.0	27.3	108.3	108.8
Continent							
Revenue	609	618	586	588	598	2,380	2,390
EBIT before special items	-4	14	17	16	3	32	50
Invested capital**	799	655	679	694	833	732	691
ROIC before special items, %**	-	-	-	-	-	3.5	5.7
Units, '000	60.5	62.4	60.3	59.4	58.7	238.9	240.9
UK & Ireland							
Revenue	353	328	325	339	358	1,375	1,350
EBIT before special items	11	15	15	18	24	68	72
Invested capital**	527	487	432	467	483	479	453
ROIC before special items, %**	-	-	-	-	-	11.5	12.8
Units, '000	46.0	42.3	45.3	50.0	52.8	194.1	190.5
Non-allocated items							
Revenue	59	62	61	59	54	233	235
EBIT before special items	0	0	0	0	-1	0	0

* The Norwegian sideport shipping activities have been transferred from the Logistics Division to the Ferry Division per 1 January 2020, 2019 comparative figures have been restated accordingly.

** Comparative numbers for full year 2019 includes elements that are based on 2018 numbers restated to IFRS 16 on a proforma and unaudited basis.

*** Excluding volumes related to automotive Logistics contract.

The invested capital in the quarter is shown as per the end of the period. For the full year, the invested capital is shown as an average.

Management statement

The Board of Directors and the Executive Board have reviewed and approved the interim report of DFDS A/S for the period 1 January – 31 March 2020.

The interim report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the DFDS Group's assets, liabilities and financial position at 31 March 2020 and of the results of the DFDS Group's operations and cash flow for the period 1 January – 31 March 2020.

Further, in our opinion, the Management review p. 1-15 gives a true and fair review of the development in the Group's operations and financial matters, the result of the DFDS Group's operations for the period and the financial position as a whole.

Copenhagen, 7 May 2020



Executive Board Torben Carlsen, CEO; Karina Deacon, CFO

Board of directors Claus Hemmingsen, Chair; Klaus Nyborg, Deputy Chair; Anders Götzsche, Jens Otto Knudsen, Jill Lauritzen Melby, Jesper Hartvig Nielsen, Lars Skjold-Hansen, Dirk Reich, Marianne Dahl Steensen

DFDS Group Income statement

DKK m	Note	2020 Q1	2019 Q1	2019-20 LTM	2019 Full year
Revenue	3	3,813	3,870	16,535	16,592
Costs					
Ferry and other ship operation and maintenance		-851	-868	-3,650	-3,667
Freight handling		-634	-638	-2,518	-2,521
Transport solutions		-777	-776	-2,995	-2,994
Employee costs		-780	-765	-3,093	-3,077
Costs of sales and administration		-160	-146	-713	-699
Operating profit before depreciation (EBITDA) and special items		610	677	3,565	3,633
Share of profit/loss of associates and joint ventures		-2	2	3	6
Profit/loss on disposal of non-current assets, net		2	1	6	6
Depreciation, ships		-299	-293	-1,230	-1,225
Depreciation, other non-current assets		-178	-153	-688	-662
Impairment losses, other non-current assets		0	-1	-7	-7
Operating profit (EBIT) before special items		133	234	1,650	1,751
Special items, net	4	-2	-15	-87	-101
Operating profit (EBIT)		131	219	1,563	1,650
Financial income		30	1	28	6
Financial costs		-65	-76	-267	-284
Profit before tax		96	144	1,324	1,371
Tax on profit		-15	-24	-50	-59
Profit for the period		81	120	1,274	1,313
Attributable to:					
Equity holders of DFDS A/S		78	120	1,266	1,309
Non-controlling interests		4	0	7	4
Profit for the period		81	120	1,274	1,313
Earnings per share					
Basic earnings per share (EPS) of DKK 20, DKK		1.36	2.10	22.13	22.88
Diluted earnings per share (EPS-D) of DKK 20, DKK		1.36	2.09	22.13	22.80

DFDS Group – statement of Comprehensive income

DKK m	2020 Q1	2019 Q1	2019-20 LTM	2019 Full year
Profit for the period	81	120	1,274	1,313
Other comprehensive income				
Items that will not be reclassified subsequently to the Income statement:				
Remeasurement of defined benefit pension obligations	-31	0	75	106
Items that will not be reclassified subsequently to the Income statement	-31	0	75	106
Items that are or may be reclassified subsequently to the Income statement:				
Value adjustment of hedging instruments:				
Value adjustment for the period	106	102	174	169
Value adjustment transferred to operating costs	1	2	11	12
Value adjustment transferred to financial costs	4	6	19	20
Value adjustment transferred to non-current tangible assets	-30	-9	-134	-113
Tax on items that may be reclassified to the Income statement	7	0	-9	-15
Foreign exchange adjustments, subsidiaries	-136	22	-115	42
Items that are or may be reclassified subsequently to the Income statement	-48	122	-53	116
Total other comprehensive income after tax	-79	122	21	222
Total comprehensive income	3	242	1,295	1,535
Attributable to:				
Equity holders of DFDS A/S	-1	242	1,287	1,530
Non-controlling interests	3	1	8	5
Total comprehensive income	3	242	1,295	1,535

DFDS Group - Balance sheet

Assets

DKK m	2020 Q1	2019 Q1	2019 Full year
Goodwill	3,444	3,340	3,440
Other non-current intangible assets	1,215	1,197	1,227
Software	242	243	241
Development projects in progress	31	4	25
Non-current intangible assets	4,931	4,784	4,934
Land and buildings	200	167	201
Terminals	746	756	741
Ships	11,267	10,320	10,950
Equipment, etc.	782	717	742
Assets under construction and prepayments	757	872	1,034
Right-of-use assets	3,239	3,398	3,337
Non-current tangible assets	16,991	16,231	17,006
Investments in associates, joint ventures and securities	49	45	53
Receivables	5	26	29
Prepaid costs	95	92	129
Deferred tax	49	76	47
Derivative financial instruments	252	212	242
Other non-current assets	451	451	500
Non-current assets	22,373	21,465	22,440
Inventories	167	208	219
Trade receivables	2,458	2,413	2,409
Receivables from associates and joint ventures	45	82	46
Other receivables	473	479	422
Prepaid costs	390	275	336
Derivative financial instruments	166	120	75
Cash	280	506	840
Current assets	3,979	4,084	4,347
Assets classified as held for sale	221	0	76
Total current assets	4,201	4,084	4,423
Assets	26,574	25,549	26,863

Equity and liabilities

DKK m	2020 Q1	2019 Q1	2019 Full year
Share capital	1,173	1,173	1,173
Reserves	-172	-129	-120
Retained earnings	9,278	7,919	8,988
Proposed dividends	0	0	235
Equity attributable to equity holders of DFDS A/S	10,279	8,963	10,276
Non-controlling interests	83	79	80
Equity	10,362	9,042	10,356
Interest-bearing liabilities	8,938	8,154	9,186
Lease liabilities	2,486	2,548	2,556
Deferred tax	201	213	213
Pension and jubilee liabilities	182	271	160
Other provisions	47	16	47
Derivative financial instruments	256	48	69
Non-current liabilities	12,111	11,250	12,231
Interest-bearing liabilities	420	1,166	480
Lease liabilities	534	623	552
Trade payables	2,103	2,461	2,292
Payables to associates and joint ventures	106	27	109
Other provisions	33	33	38
Corporation tax	39	32	30
Other payables	611	579	581
Derivative financial instruments	34	15	19
Prepayments from customers	221	320	172
Current liabilities	4,101	5,257	4,275
Liabilities	16,211	16,507	16,506
Equity and liabilities	26,574	25,549	26,863

DFDS Group - Statement of changes in equity 1 January - 31 March 2020

DKK m	Reserves						Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
	Share capital	Translation reserve	Hedging Reserve	Treasury shares	Retained earnings	Proposed dividends			
Equity at 1 January 2020	1,173	-357	266	-28	8,988	235	10,276	80	10,356
Comprehensive income for the period									
Profit for the period					78		78	4	81
Other comprehensive income									
Items that will not be reclassified subsequently to the Income statement:									
Remeasurement of defined benefit pension obligations					-31		-31		-31
Items that will not subsequently be reclassified to the Income statement	0	0	0	0	-31	0	-31	0	-31
Items that are or may be reclassified subsequently to the Income statement:									
Value adjustment of hedging instruments for the period			106				106		106
Value adjustment transferred to operating costs			1				1		1
Value adjustment transferred to financial costs			4				4		4
Value adjustment transferred to non-current tangible assets			-30				-30		-30
Tax on items that will be reclassified to the Income statement					7		7		7
Foreign exchange adjustments, subsidiaries		-135					-135	0	-136
Items that are or may subsequently be reclassified to the Income statement	0	-135	81	0	7	0	-48	0	-48
Total other comprehensive income after tax	0	-135	81	0	-24	0	-79	0	-79
Total comprehensive income	0	-135	81	0	53	0	-1	3	3
Transactions with owners									
Cancellation of proposed dividend at year-end 2019*					235	-235	0		0
Vested share-based payments					3		3		3
Cash from sale of treasury shares related to exercise of share options				2	-2		1		1
Transactions with owners	0	0	0	2	236	-235	4	0	4
Equity at 31 March 2020	1,173	-492	347	-26	9,278	0	10,279	83	10,362

* Reference is made to separate announcement from 18 March 2020 where the Board of Directors, due to the current financial environment, has decided not to propose the payment of a dividend at the Annual General Meeting

DFDS Group - Statement of changes in equity 1 January - 31 March 2019

DKK m	Reserves						Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
	Share capital	Translation reserve	Hedging Reserve	Treasury shares	Retained earnings	Proposed dividends			
Equity at 1 January 2019	1,173	-398	177	-29	8,019	235	9,175	80	9,255
Change in accounting policies*					-231		-231	-1	-232
Restated equity at 1 January 2019	1,173	-398	177	-29	7,788	235	8,944	79	9,022
Comprehensive income for the period									
Profit for the period					120		120	0	120
Other comprehensive income									
Items that are or may be reclassified subsequently to the Income statement:									
Value adjustment of hedging instruments for the period			102				102		102
Value adjustment transferred to operating costs			2				2		2
Value adjustment transferred to financial costs			6				6		6
Value adjustment transferred to non-current tangible assets			-9				-9		-9
Foreign exchange adjustments, subsidiaries		21					21	0	22
Items that are or may subsequently be reclassified to the Income statement	0	21	100	0	0	0	122	0	122
Total other comprehensive income after tax	0	21	100	0	0	0	121	0	122
Total comprehensive income	0	21	100	0	120	0	242	1	242
Transactions with owners									
Dividend paid						-229	-229		-229
Dividend on treasury shares					6	-6	0		0
Vested share-based payments					5		5		5
Cash from sale of treasury shares related to exercise of share options				0	2		2		2
Other adjustments					-1		-1		-1
Transactions with owners	0	0	0	0	11	-235	-223	0	-223
Equity at 31 March 2019	1,173	-377	277	-29	7,919	0	8,963	79	9,042

*Impact from implementation of IFRS 16

DFDS Group – Statement of cash flows

DKK m	2020 Q1	2019 Q1	2019-20 LTM	2019 Full year
Operating profit before depreciation (EBITDA) and special items	610	677	3,565	3,633
Cash flow effect from special items related to operating activities	-57	-23	-112	-78
Adjustments for non-cash operating items, etc.	3	10	19	26
Change in working capital	-116	59	-399	-224
Payment of pension liabilities and other provisions	-8	-30	-30	-52
Cash flow from operating activities, gross	433	693	3,044	3,304
Interest received, etc.	1	2	5	6
Interest paid, etc.	-67	-47	-286	-266
Taxes paid	0	-20	-26	-46
Cash flow from operating activities, net	367	628	2,736	2,997
Investments in ships including dockings, rebuildings and ships under construction (incl. settlement of forward exchange contracts) related thereto	-546	-597	-2,069	-2,120
Sale of ships including prepayment received on ship held for sale	0	0	117	117
Investments in other non-current tangible assets	-62	-216	-313	-467
Sale of other non-current tangible assets	9	5	17	13
Investments in non-current intangible assets	-18	-13	-70	-66
Acquisition of enterprises, associates, joint ventures and activities	-14	0	-146	-131
Other investing cash flows	1	3	1	4
Cash flow to/from investing activities, net	-631	-818	-2,463	-2,651
Cash flow before financing activities, net	-263	-190	273	346
Proceed from bank loans and loans secured by mortgage in ships	847	371	2,134	1,658
Repayment and instalments of bank loans and loans secured by mortgage in ships	-978	-48	-1,729	-799
Proceed from issuance of corporate bonds	0	0	304	304
Repayment of corporate bonds incl. settlement of cross currency swap	0	0	-500	-500
Payment of lease liabilities	-165	-160	-710	-706
Cash received from exercise of share options	1	2	5	7
Other financing cash flows	0	0	-3	-3
Dividends paid to equity holders of DFDS A/S	0	-229	0	-229
Cash flow to/from financing activities, net	-295	-65	-498	-268
Net increase (decrease) in cash and cash equivalents	-559	-254	-226	79
Cash and cash equivalents at beginning of period	840	761	506	761
Foreign exchange and value adjustments of cash and cash equivalents	-1	0	-1	0
Cash and cash equivalents at end of period *	280	506	280	840

* At 31 March 2020 DKK 108m (31 March 2019: DKK 43m) of the cash was deposited on restricted bank accounts.

Note 1 Accounting policies

Basis of reporting

This section provides an overview of our principal accounting policies and new and amended IFRS standards and interpretations.

Accounting policies

This interim report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The interim report has been prepared using the same accounting policies, judgements and estimates as for the annual report for 2019 except as described below.

Implementation of new or changed accounting standards and interpretations

DFDS has adopted all new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on 1 January 2020 none of which has had material impact on the Group's Financial Statements.

Significant estimates

In the view of Management, the areas where accounting estimates and assessments are significant remain the same as per DFDS' latest annual report. However, considering covid-19 certain significant estimates applied in Q1 2020 have been updated compared to year-end 2019.

In the preparation of the Interim Report, Management undertakes a number of accounting estimates and assessments, and makes assumptions which provide the basis for recognition and measurement of the assets, liabilities, revenues and expenses of the Group and the Parent Company. These estimates, assessments and assumptions are based on historical experience and other factors which the Management considers reasonable under the circumstances, but which by their nature are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unanticipated events or circumstances may occur, for which reason the actual results may deviate from the applied estimates, assessments and assumptions.

General impact of the covid-19 virus

A description of the general impact of the covid-19 virus on our business and segments can be found in the management review, pages 4-5.

Impairment considerations

Impairment testing is normally undertaken once a year unless indications of impairment occur. The consequences of covid-19 is considered such an indication and consequently, DFDS has revisited its impairment tests from year-end 2019.

While the current situation is an impairment indicator, it is reasonable to assume that the situation is temporary. In addition, DFDS' main assets have a long lifetime and the impairment tests at year-end 2019 showed significant headroom without any growth in the forecasting period. We therefore conclude that the long-term assumptions applied at year-end 2019 remain valid and no impairment has incurred.

Receivables

The practice for recognising expected credit losses etc. remains the same as at year-end 2019. Presently, the changes in payment pattern are insignificant albeit the situation is monitored closely.

Liquidity risks

There are no changes to the risk described in the Annual Report 2019 on pages 42-45 nor are there any significant changes to the financial risks described in the notes on pages 97-100. The cash resource at the end of Q1 2020 was DKK 1,730m (year-end 2019 DKK 2,290m) of which undrawn committed and uncommitted credit facilities amounts to DKK 1,450m (year-end 2019 DKK 1,450m). Further information on funding can be in the management review, pages 4-5.

Other areas

The impact from aid packages is mentioned in the management review, pages 4-5.

Note 2 Segment Information

DKK m	Ferry Division	Logistics Division	Non-allocated	Total
Q1 2020				
External revenue	2,488	1,323	2	3,813
Intragroup revenue	204	8	137	348
Total revenue	2,692	1,330	139	4,162
Operating profit (EBITDA) before special items	528	91	-10	610
Operating profit (EBIT) before special items	140	20	-27	133
Operating profit after special items (EBIT)	140	20	-28	131
Invested capital, average	20,214	1,737	698	22,649

DKK m	Ferry Division*	Logistics Division*	Non-allocated	Total
Q1 2019				
External revenue	2,569	1,297	5	3,870
Intragroup revenue	186	5	130	321
Total revenue	2,755	1,302	135	4,191
Operating profit (EBITDA) before special items	591	101	-16	677
Operating profit (EBIT) before special items	223	45	-35	234
Operating profit after special items (EBIT)	223	45	-49	219
Invested capital, average	17,750	1,376	407	19,533

* The Norwegian sideport shipping activities have been transferred from the Logistics Division to the Ferry Division per 1 January 2020, 2019 comparative figures have been restated accordingly.

Note 3 Revenue

DKK m	Q1 2020			Total
	Ferry Division	Logistics Division	Non-allocated	
Geographical markets				
North Sea	1,107	-	0	1,107
Baltic Sea	306	-	0	306
English Channel	498	-	0	498
Mediterranean	577	-	0	577
Continent	-	601	0	601
Nordic	-	407	0	407
UK/Ireland	-	315	0	315
Other	0	0	2	2
Total	2,488	1,323	2	3,813
Product and services				
Seafreight and shipping logistics solutions	1,858	0	0	1,858
Transport solutions	5	1,317	0	1,322
Passenger seafare and on board sales	311	0	0	311
Terminal services	176	1	0	176
Charters	87	0	0	87
Agency and other revenue	52	5	2	60
Total	2,488	1,323	2	3,813

All material revenue is recognised when each separate obligation in the customer contract is fulfilled following the “over-time principle”. Most transports carried out by the Ferry Division are characterised by short delivery time (most sailings are less than 30 hours while sailings to/from Turkey are up to 72 hours). Transports carried out by Logistics Division can take delivery over a longer period, but the impact is insignificant.

On board sales 3.6% of total revenue (Q1 2019: 4.6%) is recognised at “a point in time”.

Revenue from leasing activities 2.4% of total revenue (Q1 2019: 2.4%) is not within the scope of IFRS 15, however, the leasing revenue is insignificant and is therefore not excluded in the above table.

DKK m	Q1 2019			Total
	Ferry Division*	Logistics Division*	Non-allocated	
Geographical markets				
North sea*	1,161	-	0	1,161
Baltic sea	334	-	0	334
English Channel	561	-	0	561
Mediterranean	512	-	0	512
Continent	-	605	0	605
Nordic*	-	383	0	383
UK/Ireland	-	309	0	309
Other	0	0	5	5
Total	2,569	1,297	5	3,870
Product and services				
Seafreight and shipping logistics solutions	1,884	0	0	1,884
Transport solutions	4	1,289	0	1,294
Passenger seafare and on board sales	369	0	0	369
Terminal services	160	2	0	163
Charters	88	0	0	88
Agency and other revenue	63	5	5	72
Total	2,569	1,297	5	3,870

* The Norwegian sideport shipping activities have been transferred from the Logistics Division to the Ferry Division per 1 January 2020, 2019 comparative figures have been restated accordingly.

Note 4 Special items

DKK m	2020 Q1	2019 Q1
Accrual of the total estimated costs (estimated fair value) related to the DFDS shares awarded to DFDS employees as a special one-off award in connection with DFDS' 150 years anniversary in December 2016. The costs accrue from December 2016 to February 2020	-2	-5
Costs related to organisational changes and restructurings	0	-10
Special items, net	-2	-15

Note 5 Acquisition of enterprises and sale of activities

2020

There have been no significant acquisitions or disposals in Q1 2020.

2019

On 9 December 2019 the acquisition of the Dutch company Huisman Group BV headquartered in Wijchen was completed.

On 19 December 2019 the acquisition of the Finnish company Freeco Logistics headquartered in Turku was completed.

For further details of these acquisitions, refer to the annual report for 2019.

Note 6 Fair value measurement of financial instruments

The table discloses fair value and carrying amount of financial instruments measured at fair value in the balance sheet. Furthermore, categorisation of the valuation method according to the fair value hierarchy is stated.

Transfers between levels of the fair value hierarchy are considered to have occurred at the date of the event or change in circumstances that caused the transfer.

There were no transfers between the levels in the fair value hierarchy in 2020.

Techniques for calculating fair values

Derivatives

DFDS' usage of derivatives includes interest rate swaps, bunker swaps, forward exchange contracts and currency swaps. The fair values on interest rate swaps have been calculated by discounting the expected future interest payments. The discount rate for each interest payment is estimated on the basis of a swap interest curve, which is calculated based on a wide spread of market interest rates. The fair value on forward exchange contracts are based on interest curve calculations in DFDS' Treasury system. Calculations are based on a spread of market interest rates in the various currencies. Calculation on bunker swaps are based on quoted forward curve from various financial institutions.

DKK m	Q1 2020		Q1 2019	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets				
Derivatives (Level 2)	417	417	332	332
Securities (Level 3)	10	10	10	10
Financial liabilities				
Derivatives (Level 2)	290	290	63	63

Note 7 Supplementary financial information on the Parent company

As a result of DFDS A/S' issuance of corporate bonds on Oslo Stock Exchange there is a requirement to provide certain supplementary financial information on the Parent Company. The following financial information has been prepared using the same accounting policies as for the Annual Report for 2019.

The Parent Company's revenue decreased by DKK 180m, equivalent to 8.0%. Operating profit before depreciation and special items (EBITDA) decreased from DKK 485m to DKK 403m, equivalent to a decrease of 17%.

Profit before tax decreased from DKK 34m in Q1 2019 to DKK -12m in Q1 2020.

The Parent Company's net interest-bearing debt increased from DKK 3,701m at 31 December 2019 to DKK 4,467m at 31 March 2020.

DKK m	2020 Q1	2019 Q1	2019-20 LTM	2019 Full year
Income statement				
Revenue	2,014	2,194	9,577	9,757
Operating profit before depreciation (EBITDA) and special items	403	485	2,644	2,727
Operating profit (EBIT) before special items	-19	70	921	1,011
Special items, net	-1	-25	130	106
Operating profit (EBIT)	-20	46	1,051	1,117
Financial items, net	8	-12	-45	-65
Profit before tax	-12	34	1,006	1,052
Profit for the period	-14	31	1,004	1,049
Assets				
Non-current intangible assets	378	352		368
Non-current tangible assets	5,170	4,553		4,872
Right-of-use assets	1,476	1,685		1,839
Investments in affiliated companies, associates and joint ventures	6,624	5,862		5,924
Non-current receivables from affiliated companies	204	544		715
Other non-current assets	254	206		243
Non-current assets	14,106	13,203		13,961
Current receivables from affiliated companies	1,187	1,092		1,199
Receivables from associates and joint ventures	45	66		46
Cash	24	344		656
Other current assets	1,393	1,474		1,234
Current assets	2,649	2,976		3,135
Assets	16,755	16,179		17,095
Equity and liabilities				
Equity	9,391	8,300		9,339
Non-current liabilities	2,892	2,410		3,069
Current liabilities to affiliated companies	1,950	1,750		1,919
Other current liabilities	2,522	3,717		2,769
Current liabilities	4,472	5,468		4,687
Equity and liabilities	16,755	16,179		17,095
Equity ratio, %	56.0%	51.3%		54.6%
Net interest-bearing debt	4,467	4,693		3,701

Definitions

Operating profit before depreciation (EBITDA)	Profit before depreciation and impairment on non-current assets
Operating profit (EBIT)	Profit after depreciation and impairment on non-current intangible and tangible assets
Operating margin	$\frac{\text{Operating profit (EBIT) before special items}}{\text{Revenue}} \times 100$
Net operating profit after taxes (NOPAT)	Operating profit (EBIT) minus payable tax for the period adjusted for the tax effect of net finance cost
Invested capital	Net working capital (non-interest bearing current assets minus non-interest bearing current liabilities) plus non-current intangible and tangible assets minus pension and jubilee liabilities and other provisions
Net interest-bearing debt	Interest-bearing liabilities (excluding provision for pensions) minus interest-bearing assets minus cash and securities
LTM	Last twelve months
Return on invested capital (ROIC)	$\frac{\text{Net operating profit after taxes (NOPAT)}}{\text{Average invested capital}} \times 100$
Free cash flow (FCFF)	Cash flow from operating activities excluding net interest received and paid minus cash flow from net investments
Return on equity	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Average equity excluding non-controlling interests}} \times 100$
Equity ratio	$\frac{\text{Equity at end of period}}{\text{Total assets}} \times 100$
Earnings per share (EPS)	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Weighted average number of ordinary shares in circulation}} \times 100$
P/E ratio	$\frac{\text{Share price at the end of the period}}{\text{Earnings per share (EPS)}} \times 100$
Dividend per share	$\frac{\text{Dividend for the year}}{\text{Number of shares at the end of the period}} \times 100$
Market value	Number of shares, ex. treasury shares, end of period times share price end of period
No. of ships	Owned and chartered ships, including slot charter and vessel sharing agreements

Roundings may in general cause variances in sums and percentages in this report.

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7 May 2020

Company announcement no.: 12/2020

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Disclaimer

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

About DFDS

DFDS provides ferry and transport services in Europe and Turkey, generating annual revenues of EUR 2.3bn.

To over 10,000 freight customers, we deliver high performance and superior reliability through ferry & port terminal services, and transport & logistics solutions.

For more than five million passengers, we provide safe overnight and short sea ferry services.

Our 8,000 employees are located on ferries and in offices across 20 countries. DFDS was founded in 1866, is headquartered in Copenhagen, and listed on NASDAQ Copenhagen.