

2021 off to a good start

DFDS Group Q1 2021

11 May 2021





Content

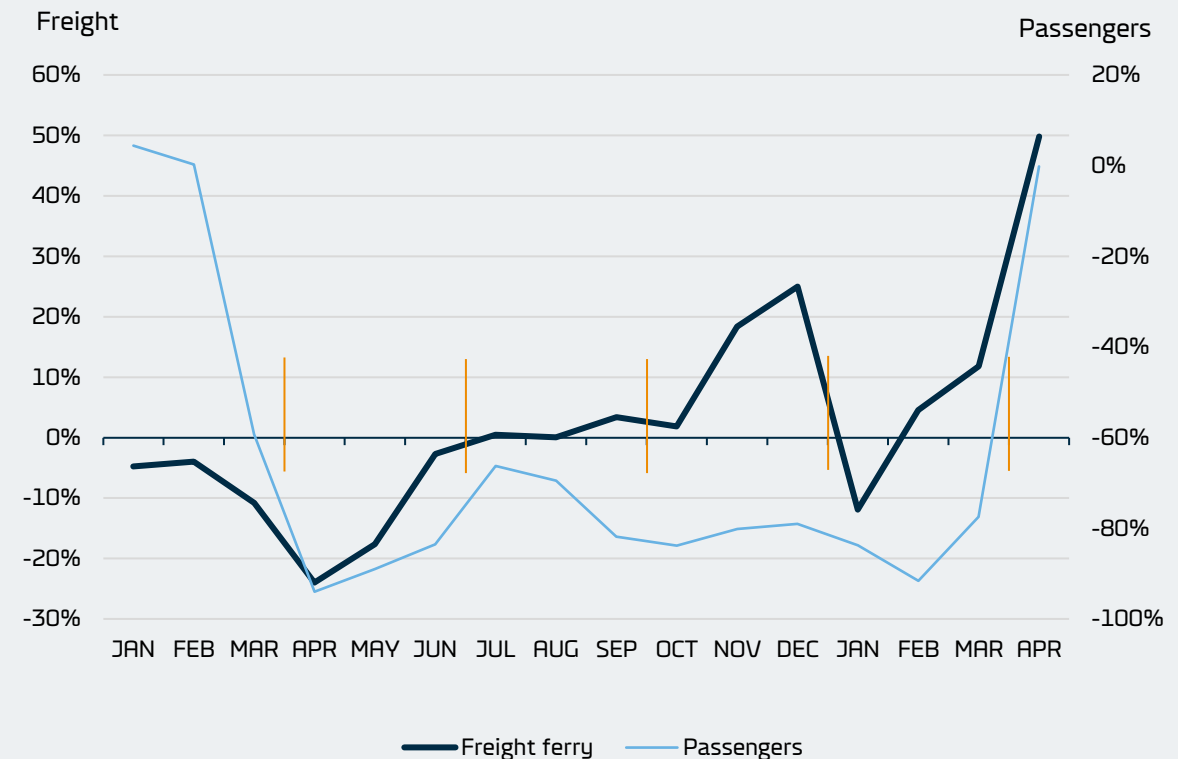
- Q1 2021 overview
- Q1 numbers
- Outlook 2021

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.

Brexit transition and Mediterranean growth drives Q1 improvement

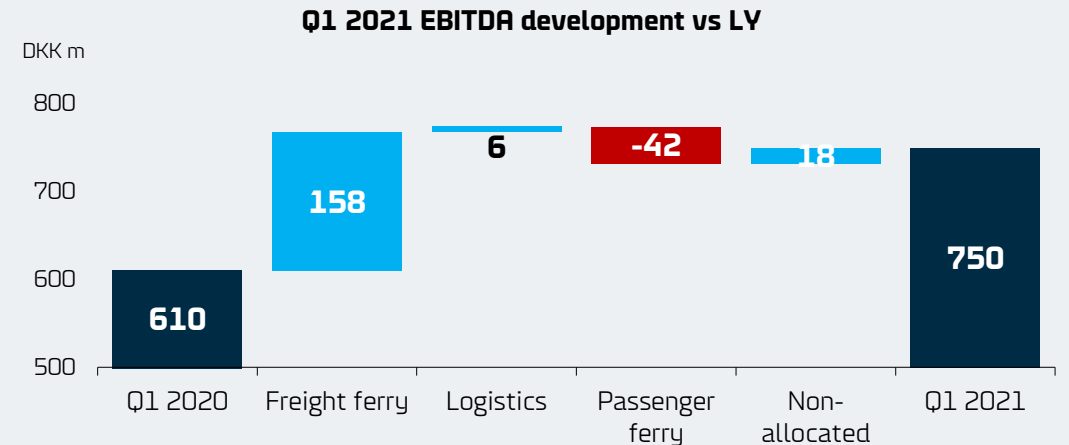
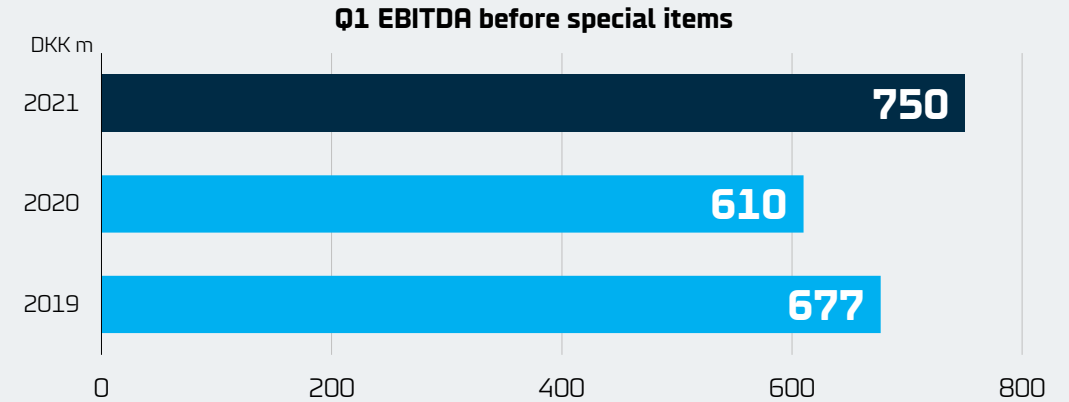
- **First two months** of Q1 a challenge for UK-linked freight activities, strong recovery in March
- **Positive impact** from Brexit-linked activities - new Irish route, standby capacity agreements and customs clearance
- **Mediterranean** achieved best quarter yet
- **Passenger** travel remained restricted throughout Q1

Ferry volumes, y/y change – 2020-21



Q1 EBITDA up 23% driven by higher freight earnings

- **DFDS Group** revenue down 1% and EBITDA up DKK 140m or 23% vs 2020
- **Ferry freight** EBITDA up DKK 158m driven by Mediterranean and activities linked to Brexit transition
- **Passenger** EBITDA down DKK 42m to DKK -94m
- **Logistics** EBITDA up DKK 6m due to strong recovery in March and customs



Q1 2021 income statement

- **Revenue** from freight increased. Lower passenger and BAF revenue reduced Group revenue 1%
- **EBIT** more than doubled to DKK 278m as depreciation remained on level with 2020
- **Finance** cost increased DKK 42m. Net interest cost up DKK 9m mainly due to increased interest related to temporary waiver of loan covenants – waiver cancelled by DFDS in May 2021
- Remaining increase related to net currency adjustments due to an income in 2020
- **Special items** of DKK -10m due to acquisition and integration planning costs for HSF Logistics Group

DFDS Group P/L DKK m	Q1 20	Q1 21	Δ	Δ
Revenue	3,813	3,768	-46	-1%
EBITDA*	610	750	140	23%
<i>Margin</i>	<i>16.0%</i>	<i>19.9%</i>	<i>3.9%</i>	
P/L associates	-2	-3	-2	n.a.
Gain/loss on assets	2	1	-1	-53%
Depreciation	-477	-470	7	-2%
EBIT*	133	278	145	109%
<i>Margin</i>	<i>11.6%</i>	<i>14.5%</i>	<i>2.9%</i>	
<i>Ferry Division</i>	<i>137</i>	<i>251</i>	<i>114</i>	<i>83%</i>
<i>Logistics Division</i>	<i>22</i>	<i>39</i>	<i>17</i>	<i>75%</i>
<i>Non-allocated</i>	<i>-27</i>	<i>-12</i>	<i>15</i>	<i>-55%</i>
Finance	-35	-77	-42	119%
Profit before tax*	98	201	103	106%
Tax	-15	-20	-5	36%
Profit after tax*	83	181	98	118%
Special items	-2	-10	-8	n.a.

*Before special items

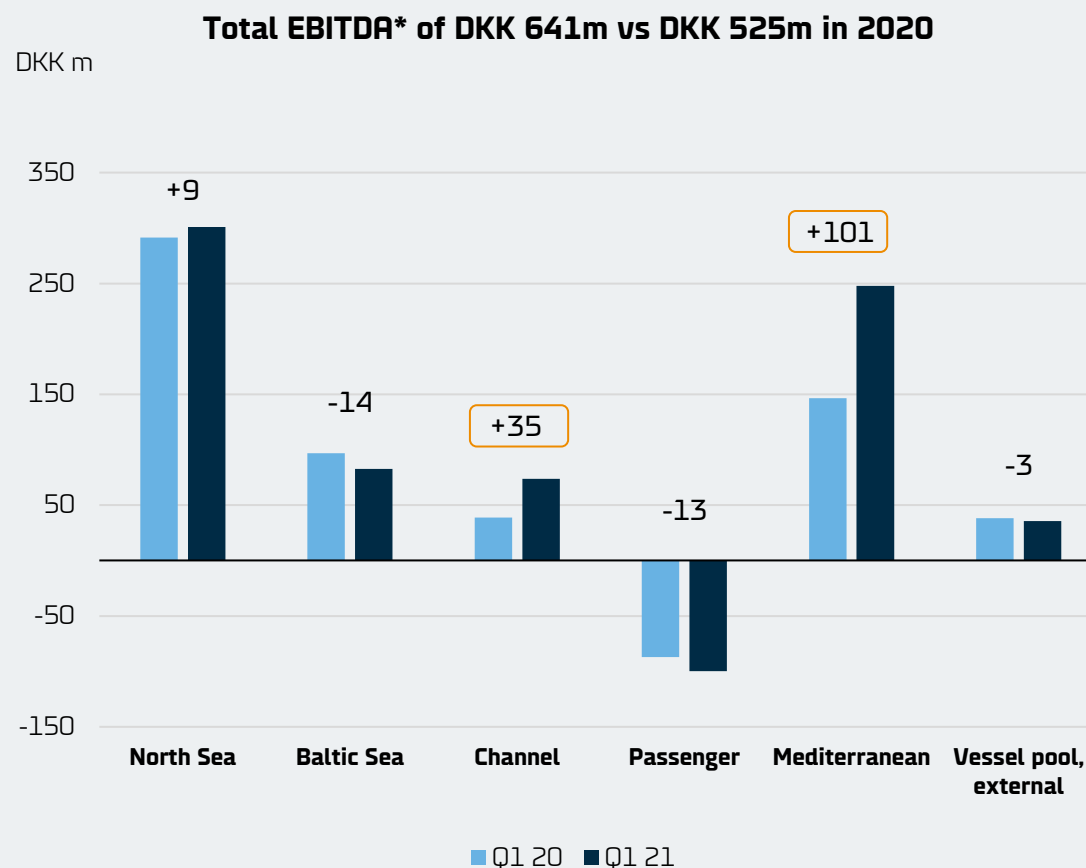
Q1 capital overview and key figures

- **Working capital** reduced DKK 267m vs 2020 mostly by lower Mediterranean receivables
- **Cash flow** – negative adjusted free cash flow of DKK 50m, incl. negative working capital impact of DKK 200m
- **ROIC (LTM)** increased to 4.2% from 3.5% at year-end but down compared to Q1 2020 due to drop in passenger earnings
- **NIBD** of DKK 11.4bn down 7% from end Q1 2020
- **NIBD/EBITDA**-ratio of 4.0 down from 4.2 at year-end

DKK m	Q1 20	Q1 21	Δ	Δ
Non-current tangible assets	16,991	16,971	-21	0%
Total assets	26,574	27,878	1,304	5%
Working capital	639	372	-267	-42%
Cash flow				
Operating activities, gross	433	538	105	24%
Investments, net	-631	-347	284	-45%
Adjusted free cash flow	-381	-50	331	-87%
Key figures				
Average no. of employees	8,577	7,965	-612	-7%
ROIC before special items	7.3%	4.2%	-3.1%	n.a.
Invested capital, end	22,822	22,462	-360	-2%
NIBD	12,308	11,435	-873	-7%
NIBD/EBITDA, times	3.5	4.0	0.5	n.a.
Equity ratio	39.0%	39.1%	0.1%	n.a.

Ferry Division – EBITDA increase driven by Mediterranean and Channel

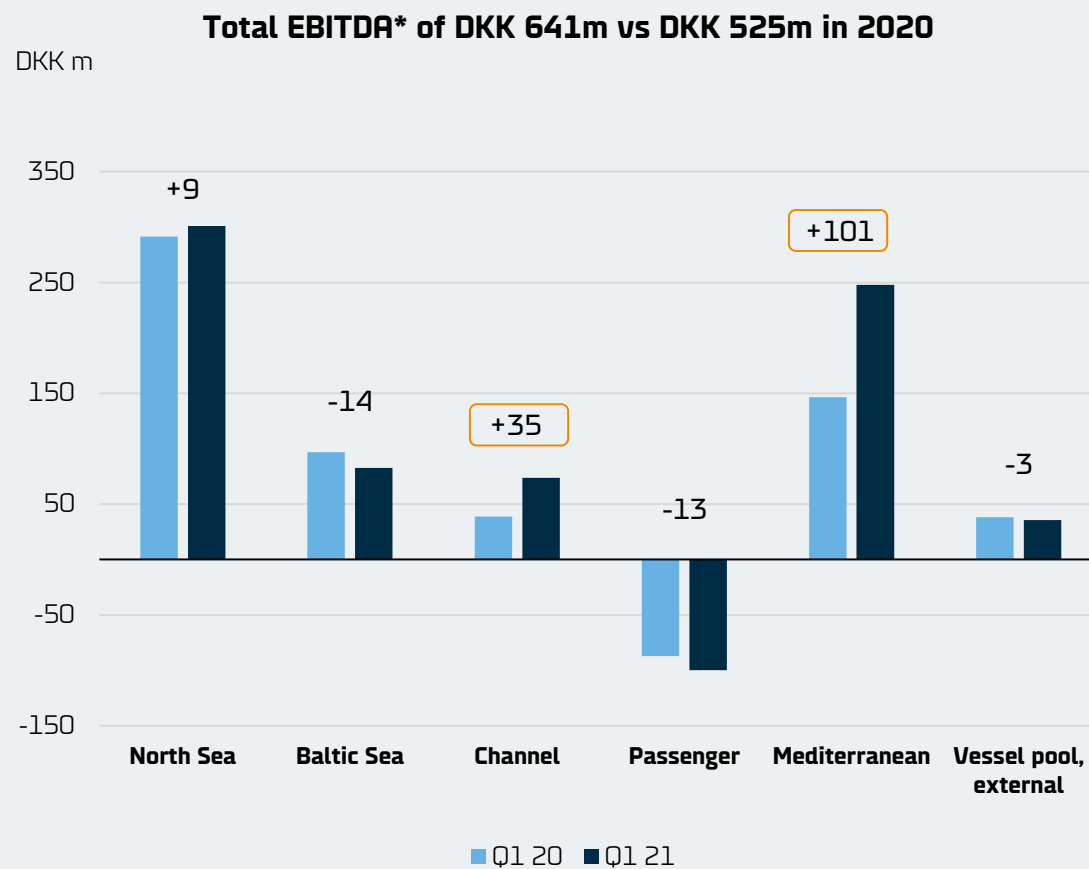
- **North Sea** up DKK 9m. Income from Brexit transition activities offset by higher net bunker cost
- **Baltic Sea** down DKK 14m. Positive impact of higher volumes more than offset by higher net bunker cost
- **Channel** up DKK 35m. Successful launch of new Irish route and income from Brexit transition activities. Offset from lower result for passenger activities and higher net bunker cost



*Before special items

Ferry Division – EBITDA increase driven by Mediterranean and Channel

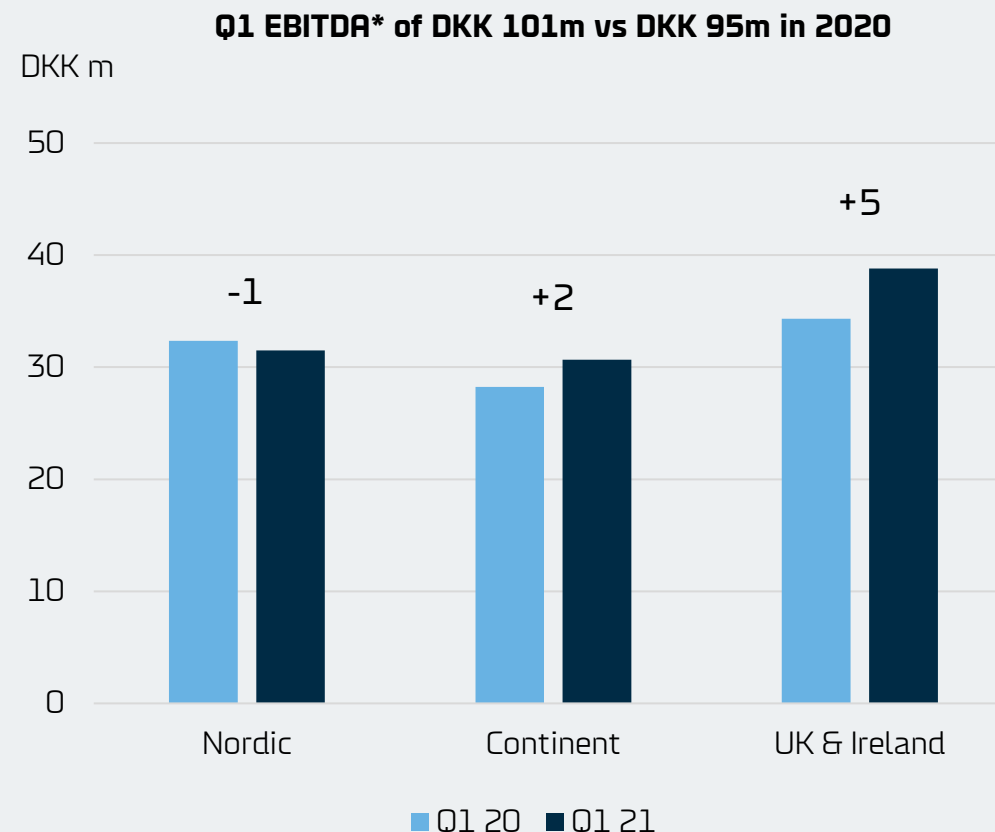
- **Passenger** down DKK 13m. Result lower in first two months of Q1 as Covid-19 disrupted earnings from mid-March last year
- **Mediterranean** up DKK 101m. Higher volumes led by Turkish export growth and cost improvements. Results also improved for port terminal and rail activities



*Before special items

Logistics – recovery through Q1 offset challenging start to year

- **Nordic** down DKK 1m due to the initial negative impact of the Brexit transition, including higher equipment costs
- **Continent** up DKK 2m. Improved result for special cargo that offset negative impact of Brexit transition. Special cargo result included one-off costs in 2020
- **UK & Ireland** up DKK 5m. Higher result for cold chain activities and activities linked to the Brexit transition, including customs clearance and standby agreements



2021 OUTLOOK

EBITDA outlook raised on 23 April, key assumptions adjusted

- Uncertainty remains high:
 - Duration of **travel restrictions**
 - Near-term effects of **Brexit**
 - **Channel** market capacity increase
- **HSF Logistics Group** assumed to be consolidated from 1 July 2021
- Subject to regulatory approval

Business unit assumptions

- **UK**-linked freight activities no longer expected to perform below 2020
- **Mediterranean** expected to improve earnings
- **Baltic Sea** expected to be impacted by increased capacity in market
- **Passenger** services assumed to regain around 25% of EBITDA decrease in 2020
- **HSF Logistics Group** – revenue of DKK 1.3bn, EBITDA of DKK 200m

Outlook 2021

- **EBITDA** range increased to DKK 3.2-3.6bn
- **Investment** outlook includes:
 - DKK 0.9bn, HSF Logistics Group
 - DKK 0.8bn, ferry newbuildings

DKK m	New outlook 2021	Previous outlook 2021	2020
Revenue growth	20-25%	20-25%	13,971
EBITDA before special items	3,200-3,600	3,000-3,500	2,732
Per division:			
Ferry Division	2,550-2,850	2,300-2,700	2,332
Logistics Division	700-800	750-850	445
Non-allocated items	-50	-50	-45
EBIT before special items	1,200-1,600	1,000-1,500	858
Investments	-2,800	-2,800	-1,618

Current priorities 2021

- Integrate **HSF Logistics Group** successfully
- Pursue **post-Brexit** opportunities
- Drive **organic freight growth**
- Increase **Mediterranean** ROIC
- Prepare **passenger** activities for a post Covid-19 travel market



Q&A

