

GROWTH SET TO CONTINUE IN 2019

DFDS GROUP
Q4 & FY 2018



7 February 2019

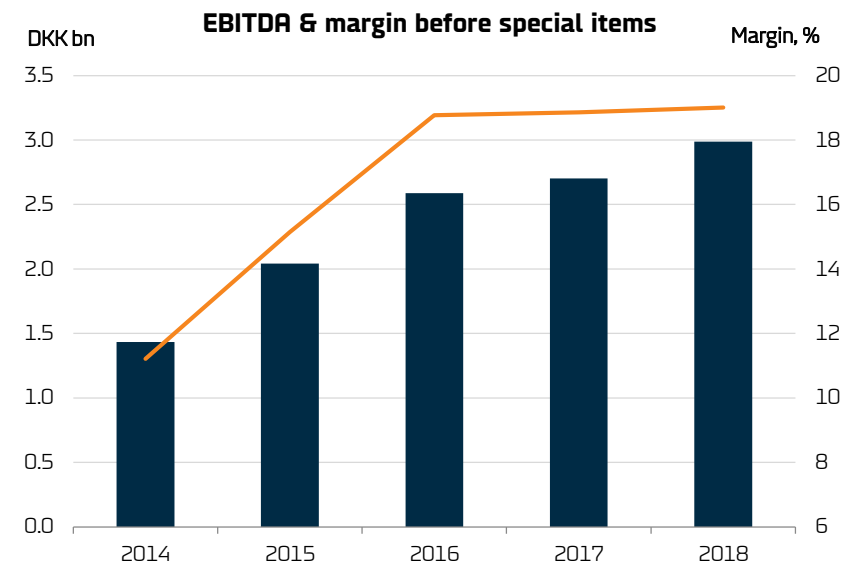
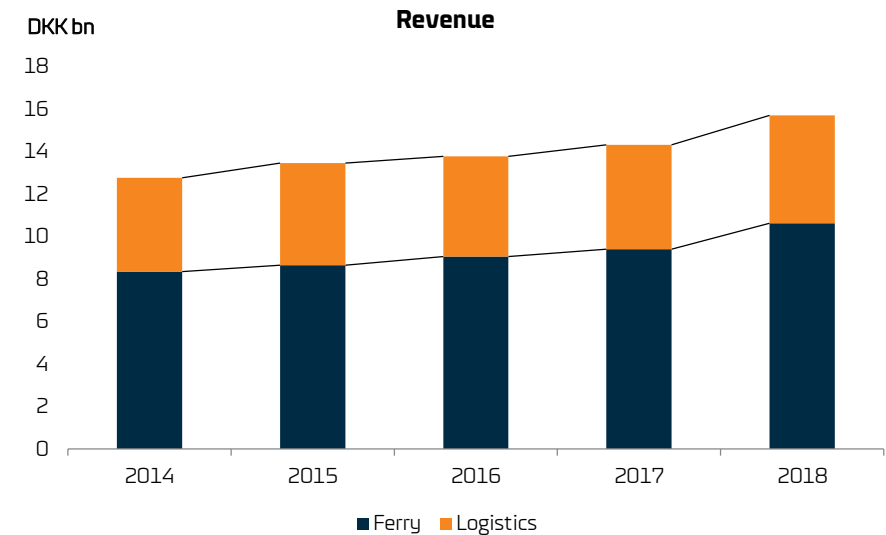
Contents

- Overview
- Q4 and FY numbers
- Market prospects
- 5 performance drivers
- Capital structure
- Outlook 2019
- Priorities

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.

Growth set to continue on the back of record 2018

- Revenue up 10% in a busy 2018 and EBITDA up 11% to DKK 3.0bn (DKK 3.6bn restated for IFRS 16*)
- EBITDA up 20% to DKK 688m in **Q4 2018**
- Revenue and earnings set to continue to **grow** in our outlook for 2019
- The outlook combines market growth prospects with lower visibility than 'normal'
- And 5 key DFDS **performance** drivers that will positively impact 2019
- **EBITDA 2019 outlook range:** DKK 3.8-4.0bn (based on IFRS 16)



20% Q4 EBITDA increase

- **13% revenue growth** mainly driven by UNRR
- **EBITDA up 20%** to DKK 688m mainly driven by UNRR as northern European markets generally slowed in the quarter
- **Depreciation** increase of DKK 46m mainly due to UNRR acquisition
- **Finance** was an income of DKK 11m as currency losses on receivables reversed
- **Profit before special items and tax** up 22% to DKK 423m

DKK m	Q4 18	Q4 17	Change vs LY	Change %
REVENUE	3,955	3,497	458	13%
EBITDA BEFORE SI	688	574	114	20%
margin, %	17.4	16.4	1.0	n.a.
P/L associates	-3	0	-3	n.a.
Gain/loss asset sales	0	1	-1	n.a.
Depreciations	-273	-227	-46	-20%
EBIT BEFORE SI	412	349	63	18%
margin, %	10.4	10.0	0.4	n.a.
Special items	37	-33	70	n.a.
EBIT	449	316	134	42%
Finance	11	-3	14	444%
PBT BEFORE SI	423	346	78	22%
PBT	460	313	148	47%
EMPLOYEES avg., no.	7,791	7,235	556	8%
INVESTED CAPITAL	17,849	9,099	8,750	96%
ROIC LTM ex. SI, %	13.5	19.0	-5.5	n.a.
NIBD	8,558	2,352	6,206	264%
NIBD/EBITDA, times	2.8	0.9	1.9	n.a.
SOLVENCY, %	42	50	-8	n.a.

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

11% EBITDA increase in 2018

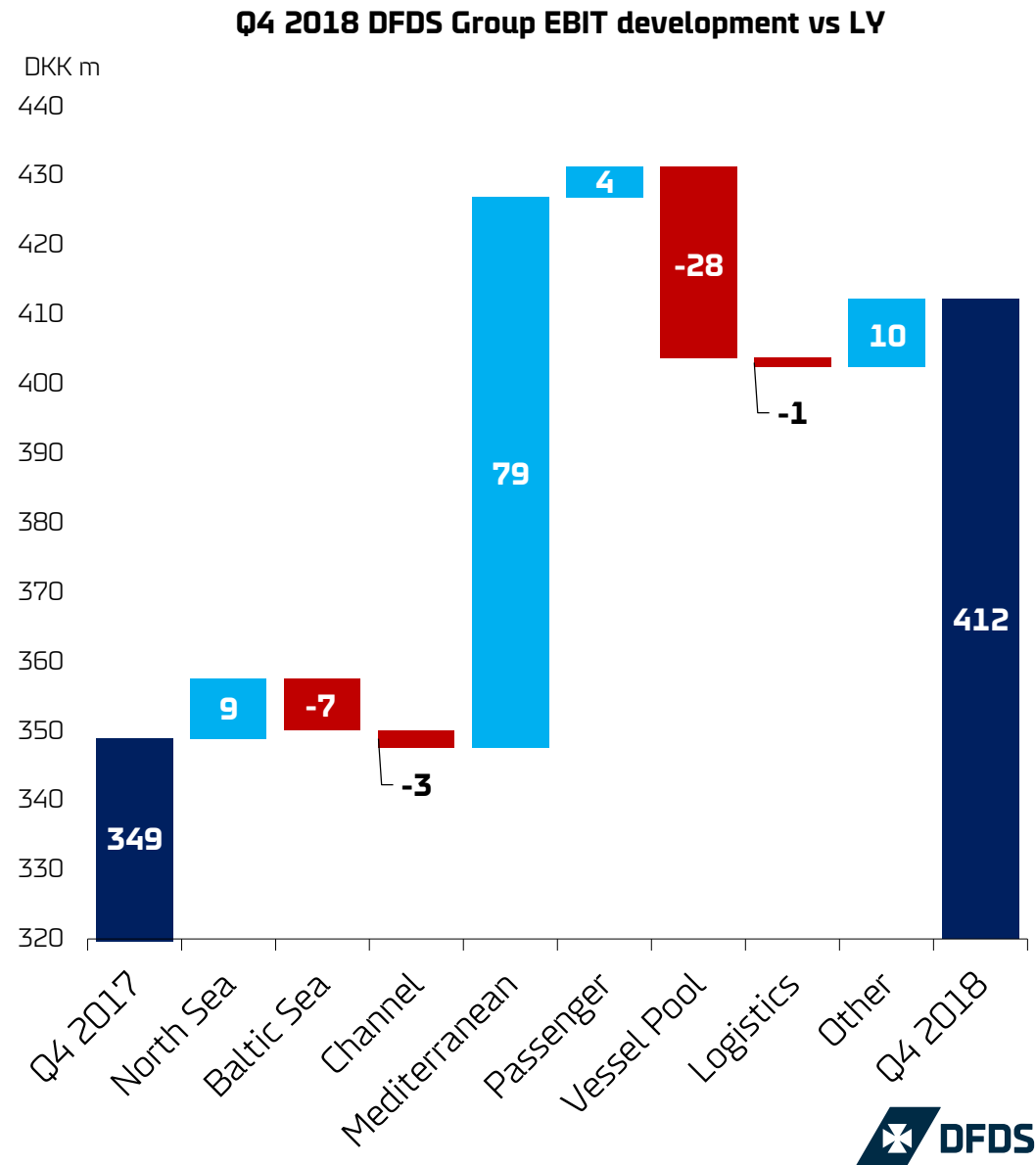
- **10% revenue growth** mainly driven by UNRR
- **EBITDA up 11%** to DKK 3.0bn mainly driven by UNRR and 26% increase to DKK 330m for Logistics
- **Depreciation** increase of DKK 153 mainly due to UNRR acquisition
- **Finance** cost increased DKK 111m to DKK 165m, including DKK 42m currency loss on Turkish receivables
- **Profit before special items and tax** up 1% to DKK 1.7bn

DKKm	2018	2017	Change vs LY	Change %
REVENUE	15,717	14,328	1,389	10%
EBITDA BEFORE SI	2,988	2,702	286	11%
margin, %	19.0	18.9	0.2	n.a.
P/L associates	1	6	-5	-86%
Sale of assets	7	7	-1	-8%
Depreciations	-1,087	-933	-153	-16%
EBIT BEFORE SI	1,909	1,782	127	7%
margin, %	12.1	12.4	-0.3	n.a.
Special Items	-49	-41	-9	-21%
EBIT	1,859	1,741	118	7%
Finance	-165	-55	-111	-202%
PBT BEFORE SI	1,744	1,727	17	1%
PBT	1,694	1,686	8	0%
Tax	-57	-68	12	-17%
NET PROFIT	1,637	1,618	19	1%
EMPLOYEES avg., no.	7,791	7,177	614	9%
ROIC ex. SI, %	13.5	19.0	-5.5	n.a.
NIBD/EBITDA, times	2.8	0.9	1.9	n.a.
SOLVENCY, %	42	50	-8.1	n.a.

SI: Special items. PBT: Profit before tax

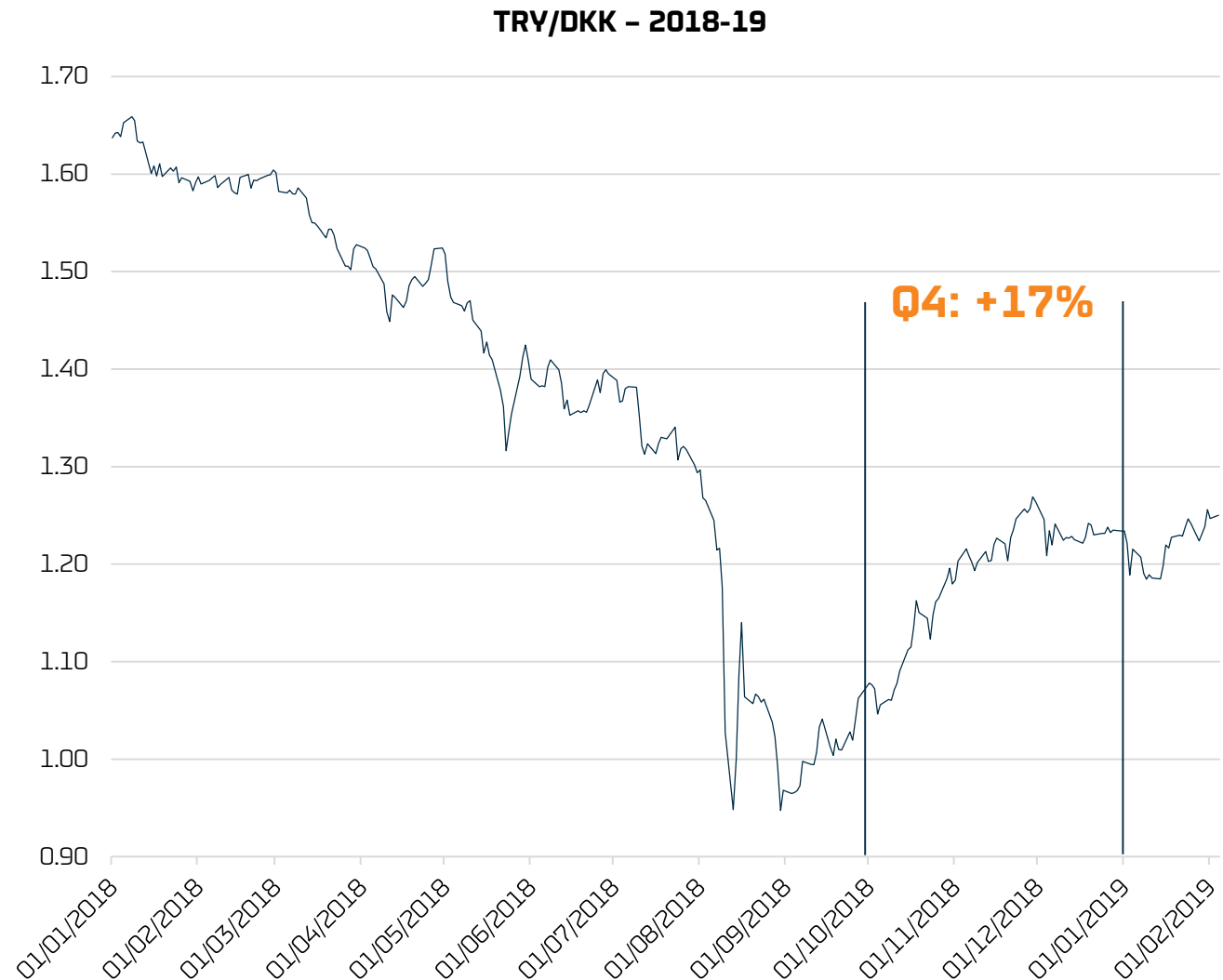
Mediterranean main EBIT driver in Q4 2018

- **North Sea +9m:** Lower operating costs offset 2.3% lower volumes
- **Baltic Sea -7m:** Freight earnings impacted by engine breakdown
- **Channel -3m:** Some loss of ferry market share due to bunker surcharges. Positive timing difference on Newhaven-Dieppe
- **Mediterranean +79m:** Addition of UNRR
- **Logistics -1m:** Positive development in UK & Ireland offset by start-up costs for new logistics contract in Belgium



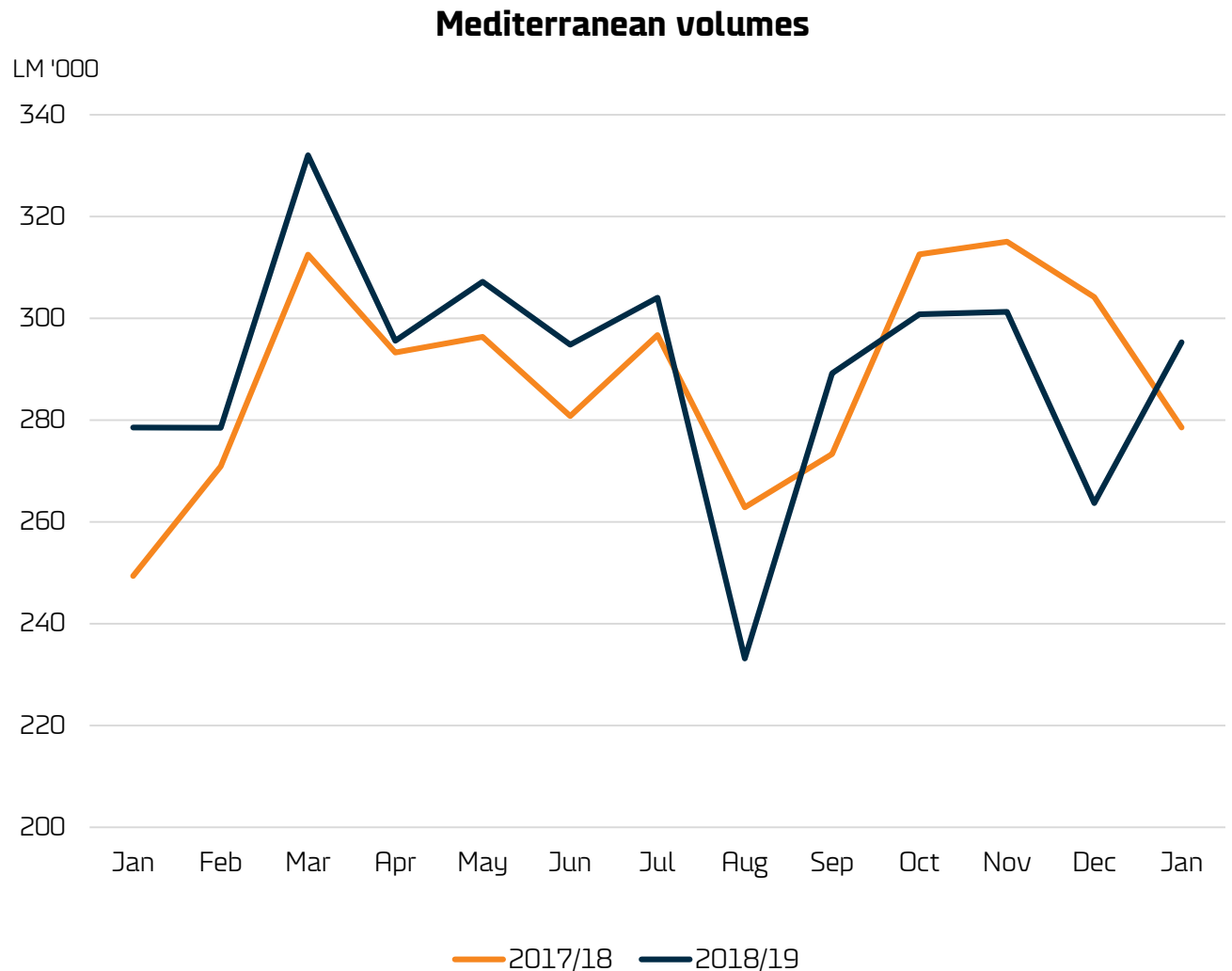
TRY crisis behind us and new invoicing model introduced

- Currency loss on customer receivables in Finance of DKK 42m in 2018 from TRY depreciation
- New invoicing model introduced per beginning 2019
- Incentives offered for payment in euros, cash or early payment



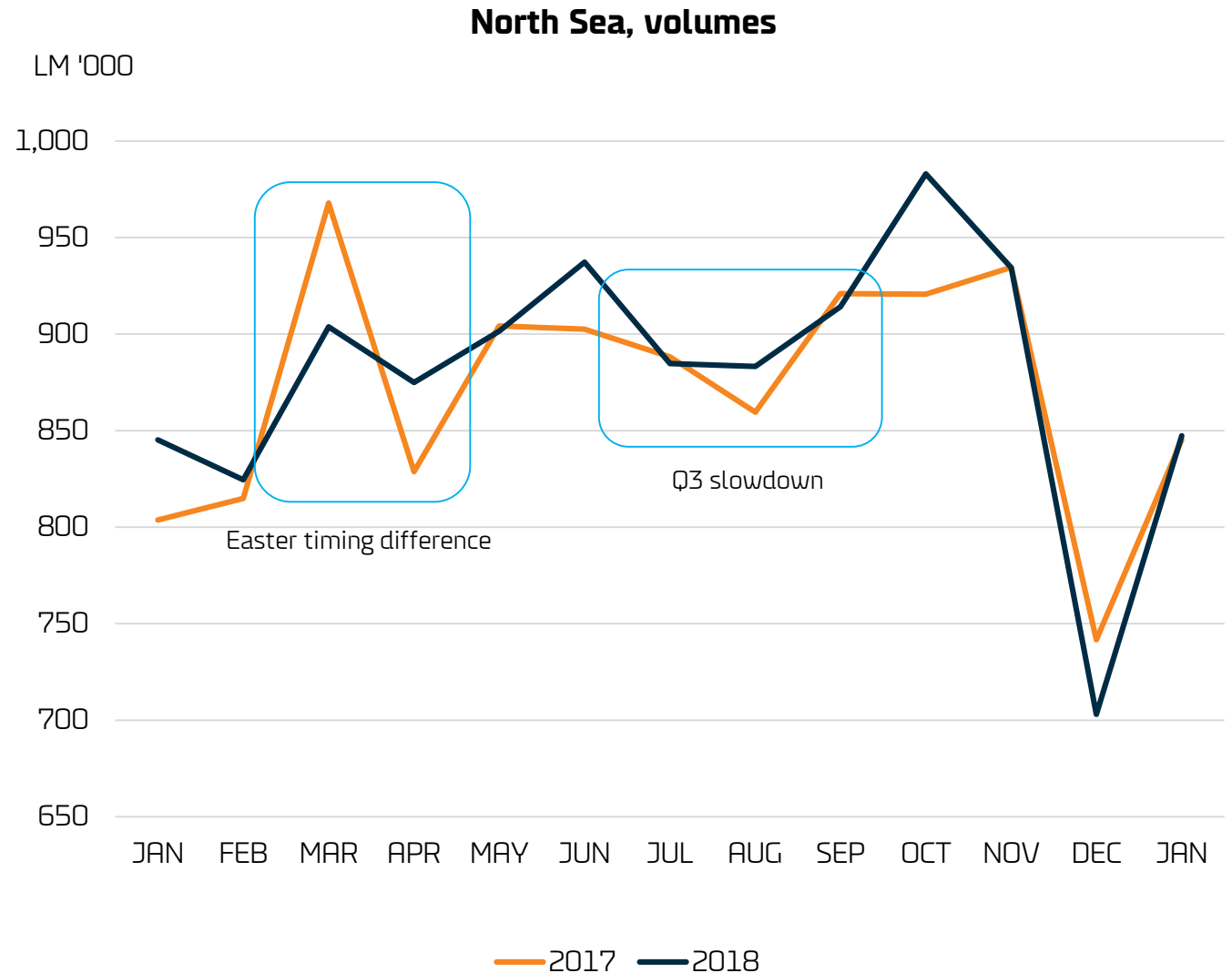
Mediterranean volumes dropped end of Q4, rebound in January

- FY* volumes: +0.3%
- Q3 volumes: -0.8%
- Q4 volumes: -7.1%
- France volumes impacted by yellow vests in December
- Extended Xmas and New Year break in Europe lowered volumes in December as factories closed down
- Jan 2019 volumes: +6.0% as new customer introduced



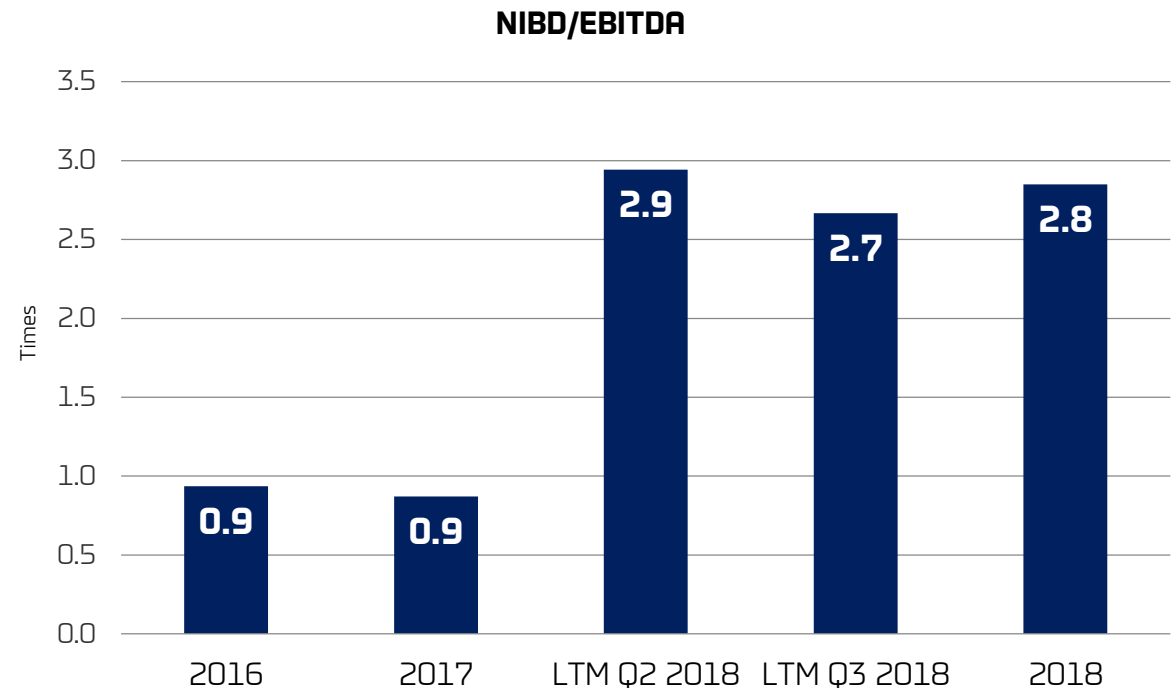
North Sea volumes aligned with European growth

- **FY volumes: +1.0%**
- **Q4 volumes: +0.9%**
- H1 volumes up 1.2%. Growth slowed to 0.5% in Q3
- Extended Xmas and New Year break lowered volumes in December
- January 2019 volumes flat



Dividend proposed resumed in 2019

- **Dividend** proposed resumed with DKK 4.00 per share
- **Free cash flow** lowered by acquisitions of DKK 3.6bn
- Free cash flow increased 23% excluding acquisitions of DKK 3.6bn
- **NIBD/EBITDA**-multiple was 2.8x end of 2018 and 2.6x on a pro forma FY basis (not restated)
- Leverage increased end Q4 due to long term port terminal lease agreement



5 KEY PERFORMANCE DRIVERS FOR 2019

1A. Full-year impact of UNRR acquisition



1B. New cooperation with Ekol Logistics



2. Well prepared for Brexit + UK DfT ferry capacity contract

DFDS Brexit webinar

How to navigate the Brexit scenarios

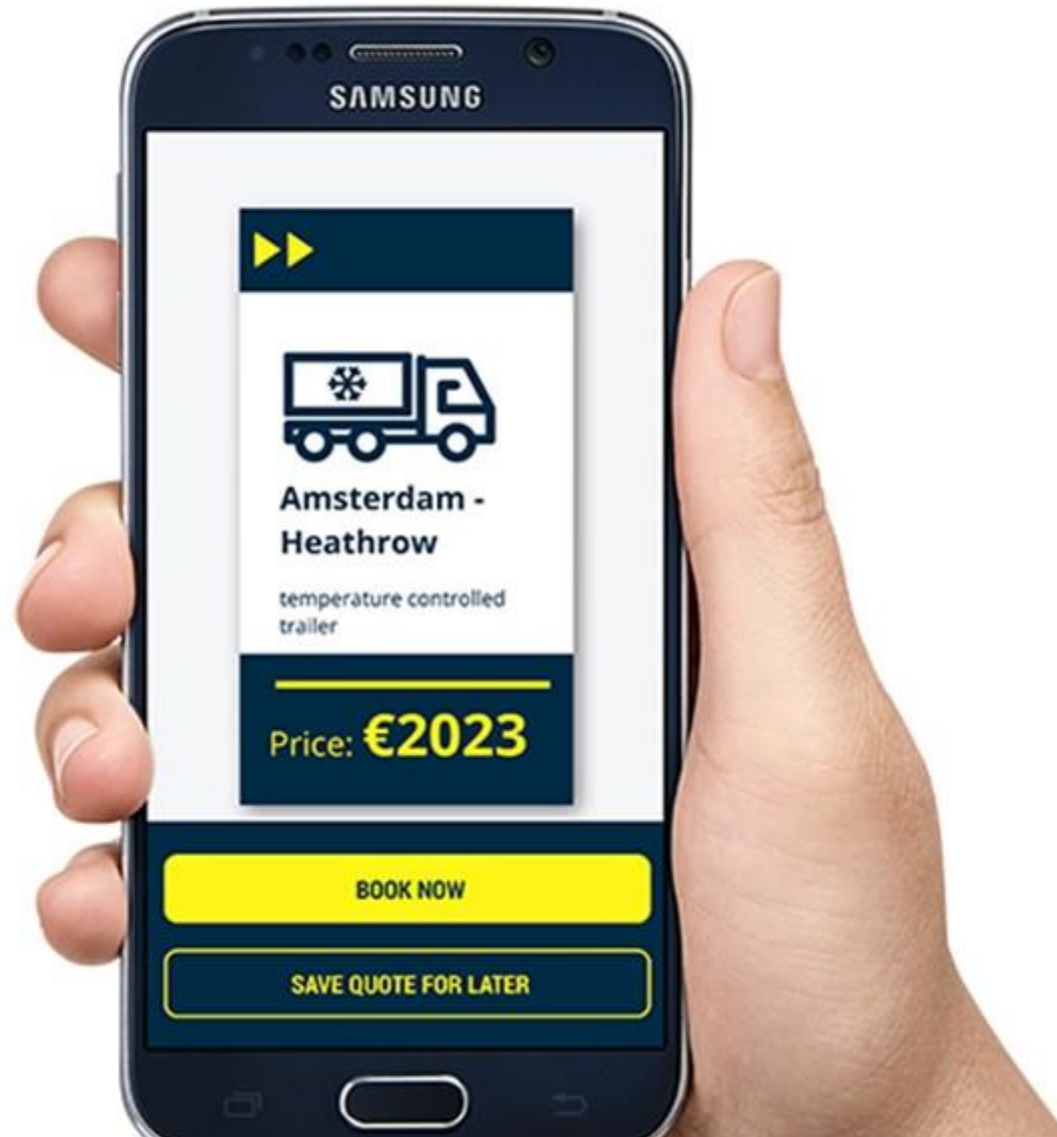
Elsa Leromain
London School of Economics – CEP

DFDS webinar
January 10, 2018

3. Three new freight ferries to strengthen route network in 2019



4. Digital business projects to go live



5. DKK 100m from improvement and efficiency projects

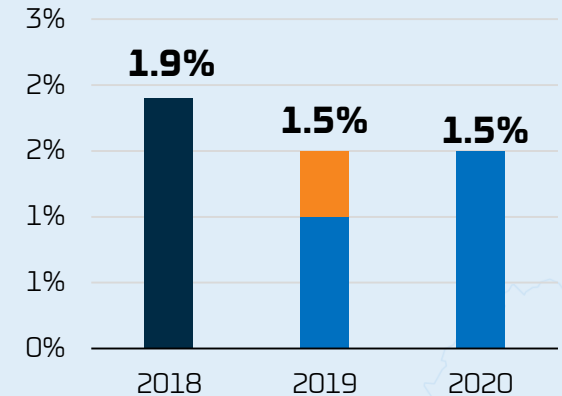


Market growth prospects 2019

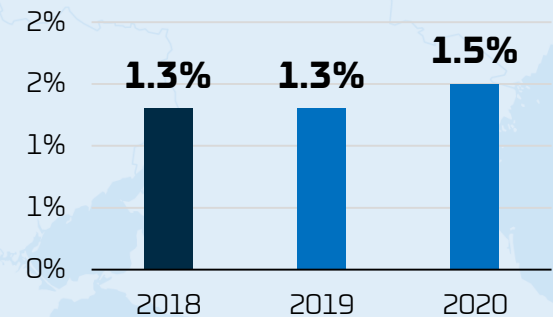
Visibility on Europe's growth prospects below 'normal'

- **Brexit** outcome still not clear
- Global and European **growth outlook** trending down, although still positive
- **Europe-Turkey** trading now a major factor for DFDS
- TRY crisis behind us but flat GDP-growth expected in **Turkey** driven by, among other things, high interest rate

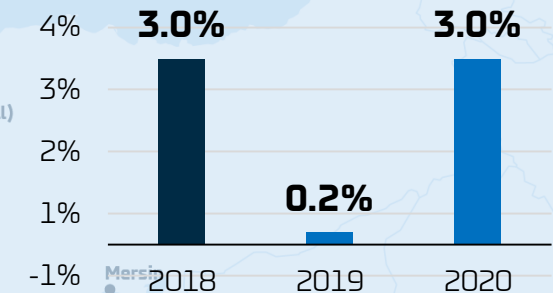
Euro Zone



United Kingdom



Turkey



Outlook 2019 – growth set to continue

- **‘Soft’ Brexit** likely to support growth and add upside
- **‘Hard’ Brexit** scenario somewhat mitigated by own preparations and DfT contract
- **Turkish exports** expected to grow in 2019
- **5 DFDS performance drivers** are currently expected to provide main contribution to growth
- **Investments** of DKK 2.5bn include newbuildings and terminal expansion

OUTLOOK 2019

- Revenue growth of 10-12%
- EBITDA range of DKK 3,800-4,000m (2018: restated DKK 3,589m)
 - Ferry Division: DKK 3,425-3,600m (2018: DKK 3,179m)
 - Logistics Division: DKK 425-450m (2018: DKK 431m)
 - Non-allocated items: DKK -50m (2018: DKK -21m)
- Investments of DKK 2.5bn

Priorities going into 2019

- **Adapting** to market changes
- Delivering on our 5 DFDS **performance** drivers
- As always, **Customer Satisfaction**
 - grow the topline
- Pursue value-creating **M&A and investments**

- Mediterranean growth
- Prepared for Brexit
- New freight ferries
- Digital goes live
- Improvement and efficiency projects

Q&A

