Q4 2021 investor call

Set for further growth

8 February 2022

DFDS

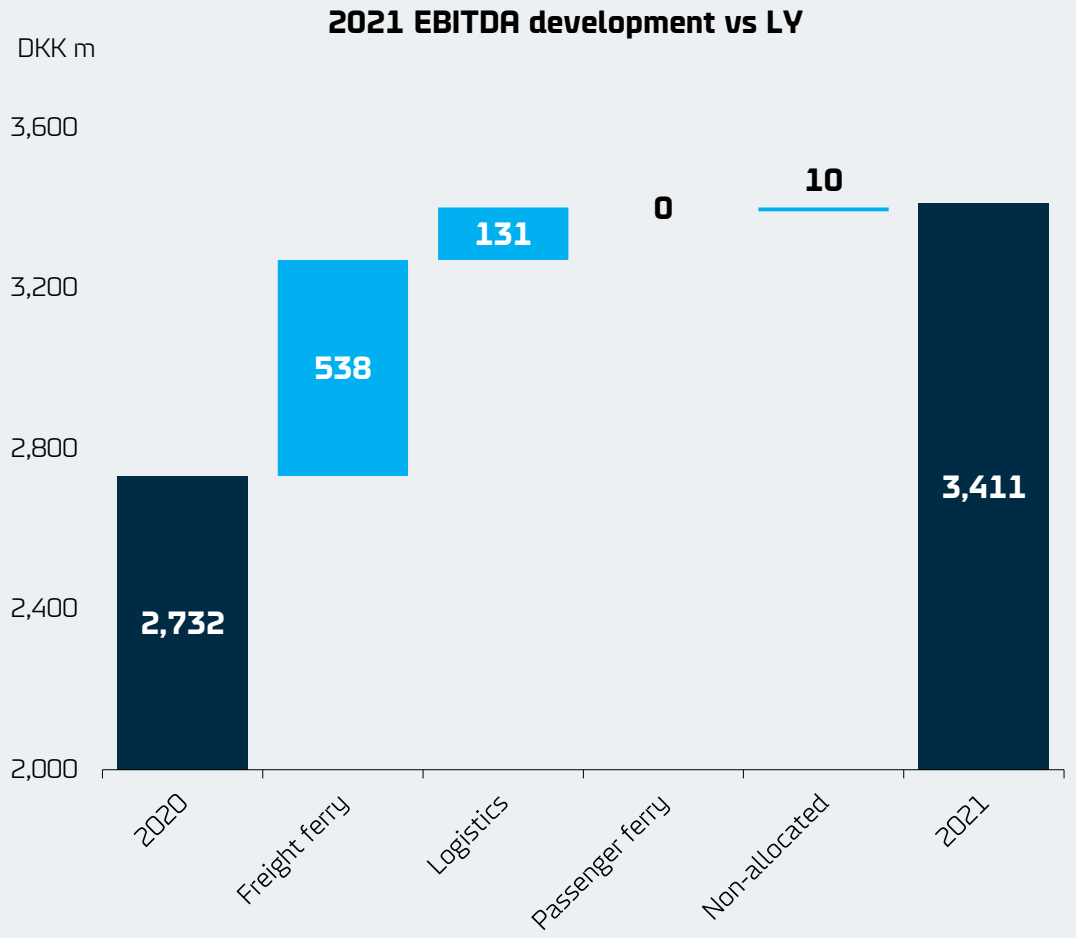
Content

- FY and Q4 overview
- Q4 numbers
- 2022 outlook & strategy

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.

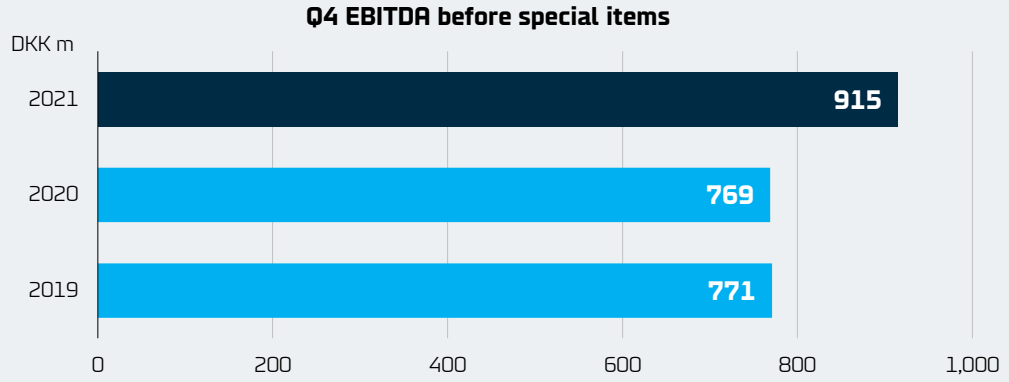
Set to grow further in 2022 on back of strong result for 2021

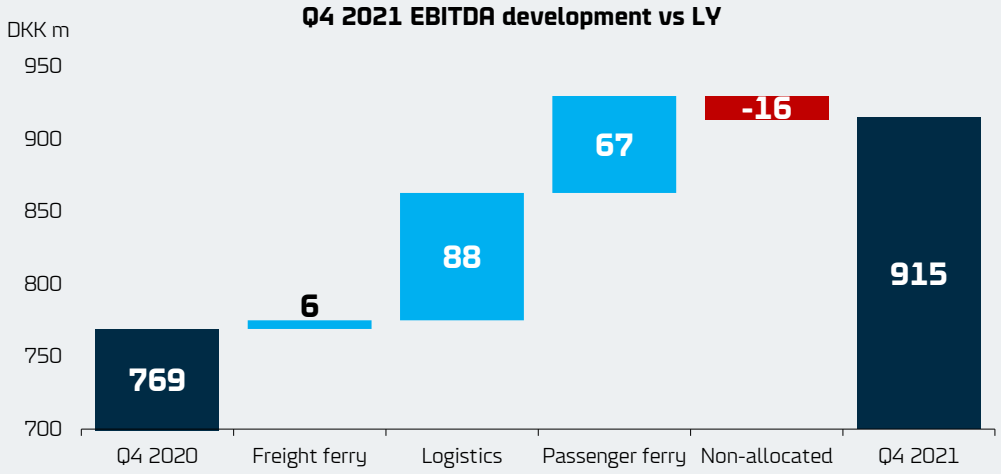
- **Full-year EBITDA** up 25% to DKK 3.4bn for 2021
- **Growth** driven by freight as passenger result remained on level with 2020 due to Covid-19
- **Mediterranean** achieved strong profit improvement
- **Logistics Division** boosted by acquisition of HSF Logistics Group
- **Green** ferry decision to be made in 2022



Q4 EBITDA: HSF, Mediterranean, and passengers improved earnings

- **DFDS Group** EBITDA up 19%
- **Ferry freight** EBITDA on level as tough UK stockbuilding comps offset higher earnings in Mediterranean and on new routes
- **Passenger** EBITDA up DKK 67m to DKK -30m as Scandinavian passengers started to return
- **Logistics** EBITDA up DKK 88m or 72% driven by addition of HSF Logistics Group
- **Non-allocated costs** up DKK 16m due to timing differences, FY in line with 2020





Q4 2021 income statement

- **Revenue** up 46% driven by the HSF acquisition, higher bunker surcharges, and more passenger revenue
- **Depreciation** up DKK 121m mainly due to addition of chartered ferries for new ferry routes and addition of HSF
- **Finance** cost reduced DKK 42m due to positive variance on currency adjustments. Interest cost on level with 2020
- **Special items** of DKK 4m represents a positive variance of DKK 101m due to restructuring and impairment in 2020

DFDS Group P/L DKK m	Q4 20	Q4 21	Δ	Δ
Revenue	**3,761**	**5,482**	**1,721**	**46%**
EBITDA*	**769**	**915**	**146**	**19%**
Margin	*20.5%*	*16.7%*	*-3.8%*	
Ferry Division	*668*	*742*	*73*	*11%*
Logistics Division	*123*	*211*	*88*	*72%*
Non-allocated	*-21*	*-37*	*-16*	n.a.
P/L associates	0	-4	-4	n.a.
Gain/loss on assets	0	-1	0	206%
Depreciation	-480	-602	-121	25%
EBIT*	**289**	**309**	**19**	**7%**
Margin	*7.7%*	*5.6%*	*2.9%*	
Finance	-95	-54	42	-44%
Profit before tax*	**194**	**255**	**61**	**32%**
Tax	12	-6	-18	-152%
Profit after tax*	**206**	**249**	**43**	**21%**
Special items	-97	4	101	n.a.

*Before special items

Q4 capital overview – strong operational cash flow

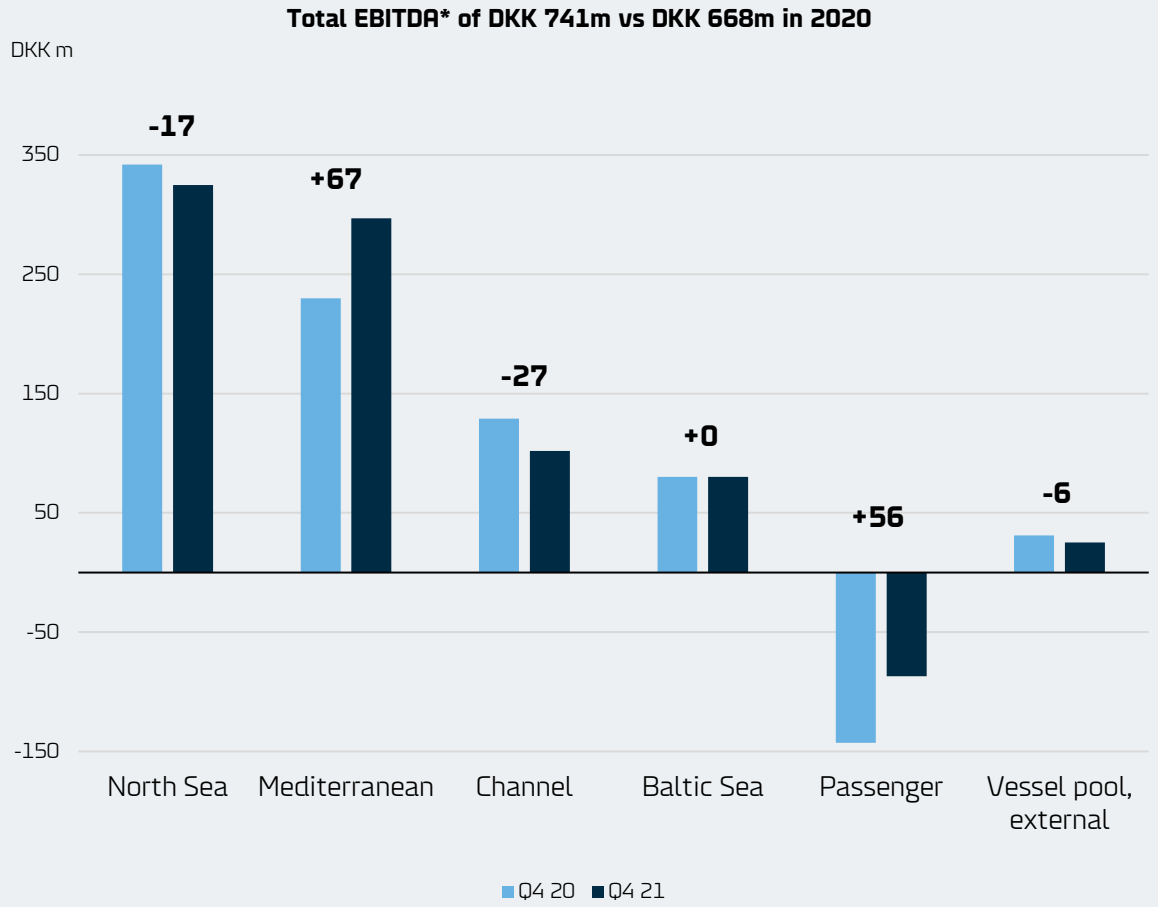
- **Assets** increased DKK 3.8bn mainly due to HSF consolidation
- **Operating cash flow** up 6% to DKK 0.8bn. Free cash flow includes second and final payment for HSF
- **NIBD** of DKK 13.5bn up DKK 2.1bn from end 2020 mostly reflecting HSF acquisition
- NIBD/EBITDA-ratio at 3.7* down from 4.2 at year-end 2020
- **ROIC** (LTM)** increased to 5.2% from 3.5% at year-end 2020

DKK m	Q4 20	Q4 21	Δ	Δ
Non-current intangible assets	4,901	6,252	1,351	28%
Non-current tangible assets	16,867	19,188	2,321	14%
Total assets	**27,006**	**30,783**	**3,778**	**14%**
Working capital	**132**	**-78**	**-210**	**-192%**
Cash flow				
Operating cash flow	796	843	47	6%
Investments, assets	-192	-790	-598	311%
Investments, acquisitions	0	-803	-803	n.a.
Adjusted free cash flow	444	-1,018	-1,462	n.a.
Key figures				
ROIC before special items	3.5%	5.2%	1.7%	n.a.
NIBD	11,361	13,481	2,120	19%
NIBD/EBITDA, times	4.2	3.7	-0.5	n.a.
Equity ratio	39.3%	37.5%	-1.8%	n.a.
Invested capital, end	22,121	25,369	3,248	15%
Invested capital, avg.	22,500	23,324	824	4%

*Including HSF pro forma EBITDA for LTM
**Before special items

Ferry Division – Mediterranean growth, tough UK comps

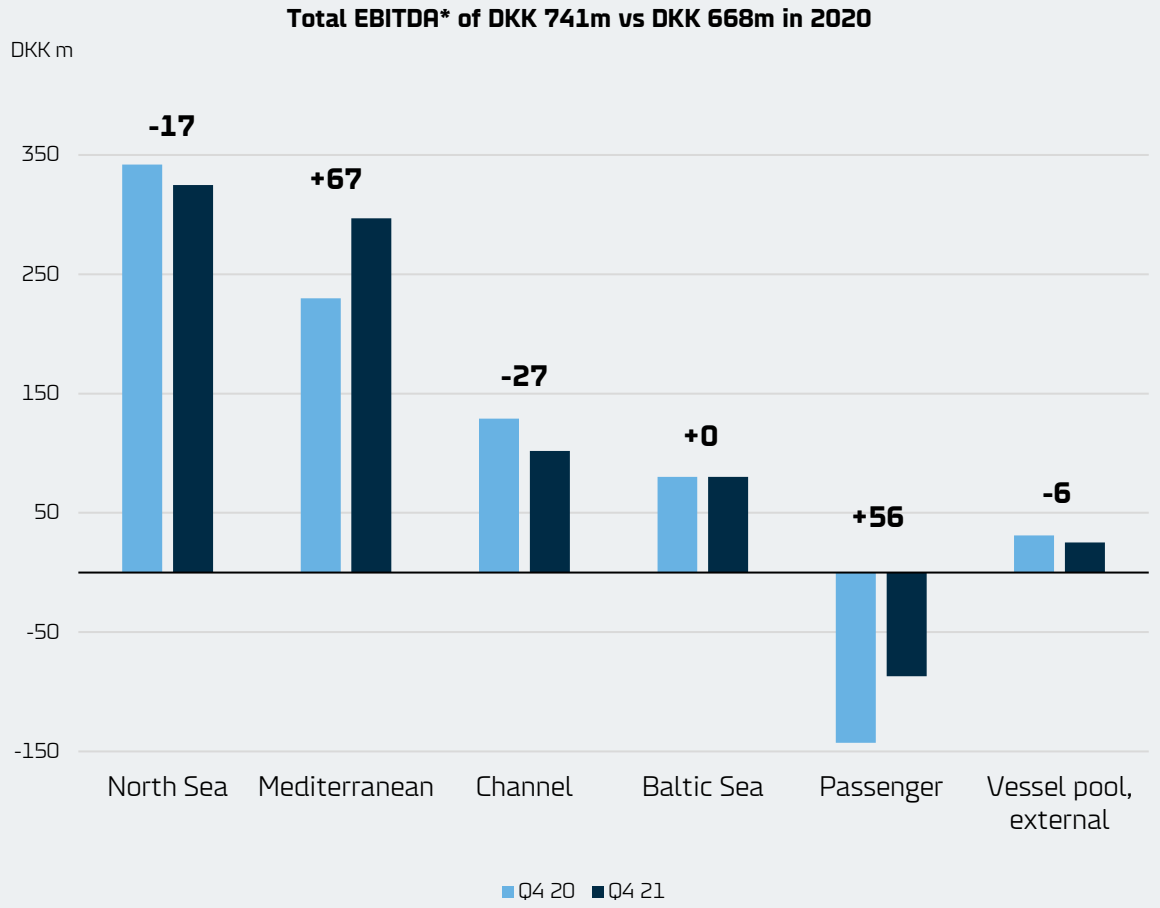
- **North Sea** down DKK 17m due to boost from UK stockbuilding in 2020. Supply chain bottlenecks eased through the quarter
- **Mediterranean** up DKK 67m driven by 6% higher adjusted volumes and improved results for rail and ports
- **Channel** down DKK 27m due to boost from UK stockbuilding in 2020. Passenger result improved by more passengers and duty-free sales



*Before special items

Ferry Division – passenger volumes started to pick up

- **Baltic Sea** on level with 2020 as lower volumes were offset by cost decreases
- **Passenger** up DKK 56m mainly due to higher passenger volumes on Norway-Denmark route

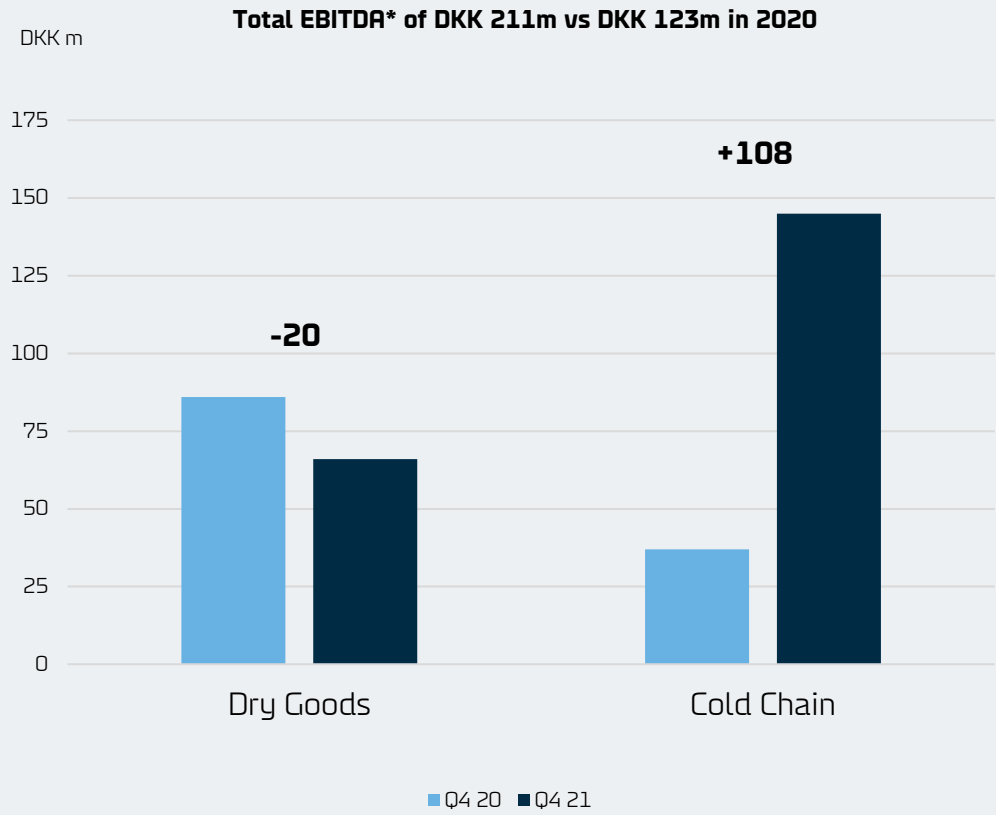


*Before special items

Logistics – boost from HSF, margin pressure in forwarding

- **Dry Goods** down DKK 20m as time lags in cost coverage and higher own costs lowered forwarding margins
- Contract logistics and specialised services improved

- **Cold Chain** up DKK 108m due to addition of HSF Logistics Group
- Forwardings margins also here impacted by time lags in cost coverage and higher own costs
- Periodic negative impacts from Covid-19 restrictions in the Netherlands and UK



*Before special items

2022 OUTLOOK

Key freight outlook assumptions for 2022

- **Ferry:** UK freight market expected to grow after some slowdown in 2021
- Further growth expected for Mediterranean
- Baltic network strengthened by two new-buildings
- Channel expected to be negatively impacted by overcapacity in market
- **Logistics:** Full-year impact of HSF and margin improvement for forwarding margins

DKK m	Outlook 2022	2021
Revenue growth	23-27%	17,869
EBITDA before special items	**3,900-4,400**	**3,411**
Per division:		
Ferry Division	3,050-3,450	2,853
Logistics Division	900-1,000	593
Non-allocated items	-50	-35
Investments	-2,300	-3,210
Types:		
Operating	-1,400	-975
Ferries: sale & purchase and new-buildings	-800	-490
Acquisitions	-100	-1,745

Key passenger outlook assumptions for 2022

- Around 50% of DKK 1bn EBITDA decrease in 2020 and 2021 is expected to be regained
- This includes a positive impact from duty-free sales, mainly in Channel
- Also includes a negative impact from overcapacity in Channel market
- Baltic network strengthened by two new-buildings

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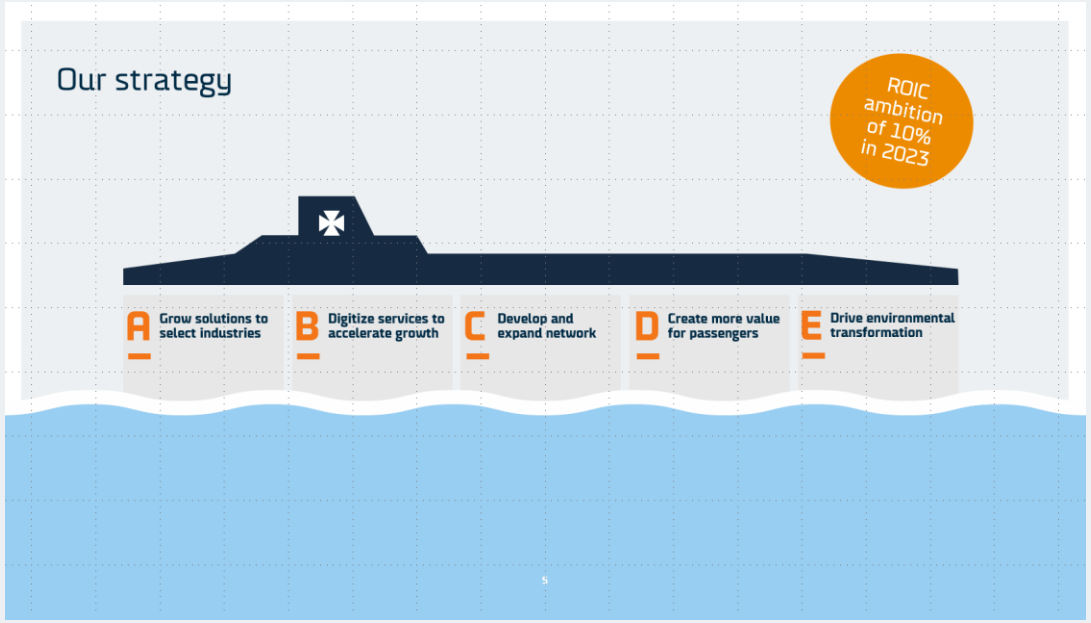
Key ESG focus areas in 2022

- Choice of **fuel type** for first generation green freight ferries
- Ferry **engine technology** development
- Green **fuel availability** – partnerships and commitments
- Deployment of **electric trucks**
- Raise **female gender ratio** further, especially for specific job types
- New strengthened **Health & Safety** organisation to improve awareness and enforce preventive actions

Key strategy focus areas in 2022

- **Grow solutions:** Focus on Automotive and Forest & Metal
- **Digitise:** Customer solutions for Logistics
- **Develop and expand:** Deployment of two Baltic new-buildings. Grow by acquisitions
- **Value for passengers:** Regain volumes, duty-free sales development, new concepts
- **Environmental transformation:** Green ferry development, electric truck deployment



Q&A