



Global Transport and Logistics

DSV, 679 - Annual report 2017

February 9, 2018

"2017 was a record year for DSV with performance beyond expectation. After a strong Q4 2017, we are able to report full-year earnings for 2017 at the high end of our latest outlook and a very strong cash flow. With the UTi integration well behind us, we will now focus on developing DSV, and for 2018 we expect up to 11% growth in earnings. M&A remains on our agenda, and we will continue to look for relevant opportunities," says Jens Bjørn Andersen, CEO.

Selected financial highlights for 2017 (1 January - 31 December 2017)

DKK mio.)	Q4 2017	Q4 2016	YTD 2017	YTD 2016
Net revenue	19,019	17,617	74,901	67,747
Gross profit	4,054	3,998	16,605	15,838
Operating profit before special items	1,196	929	4,878	3,475
Operating margin	6.3%	5.3%	6.5%	5.1%
Conversion ratio	29.5%	23.2%	29.4%	21.9%
Adjusted earnings			3,484	2,506
Adjusted free cash flow			4,835	1,838
Diluted adjusted earnings per share of DKK 1			18.40	13.40
Proposed dividend per share (DKK)			2.00	1.80
Operating profit before special items				
Air & Sea	789	569	3,225	2,143
Road	231	230	1,201	1,049
Solutions	185	142	494	384

Q4 2017 results

For Q4 2017, net revenue increased by 8.0% and amounted to DKK 19,019 million (Q4 2016: DKK 17,617 million). Adjusted for currency translation effects, growth came to 11.6%, driven by increasing freight volumes in all DSV's business areas. In addition, average freight rates and fuel prices were higher than in Q4 2016.

Freight volume growth for the quarter was 10% for air freight, 4% for sea freight and 5% for road transport.

For Q4 2017, gross profit came to DKK 4,054 million (Q4 2016: DKK 3,998 million). Adjusted for currency translation effects, growth came to 4.8%.

Operating profit before special items was up by 28.7% to DKK 1,196 million for Q4 2017 (Q4 2016: DKK 929 million). Adjusted for currency translation effects, growth came to 33.6%, mainly driven by the Air & Sea and Solutions divisions.

Dividend

Based on the financial results for the year, the Board of Directors proposes ordinary dividends of DKK 2.00 per share for 2017 (2016: DKK 1.80 per share).

Outlook for 2018

- Operating profit before special items is expected to be in the range of DKK 5,000-5,400 million
- The effective tax rate of the Group is expected to be approximately 23%
- Adjusted free cash flow is expected to be approximately DKK 4,000 million. The expected cash flow for 2018 is lower than in 2017 in spite of the expected increase in operating profit. This is mainly due to the improvement in net working capital which had a positive cash flow impact in 2017.

Investor teleconference

DSV will host an investor teleconference on 8 February 2018 at 11.00 a.m. CET. Reference is made to Investor News, 2017 Annual Report analyst conference call, at investor.dsv.com.

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This announcement has been forwarded to Nasdaq Copenhagen and to the press. It is also available at www.dsv.com. The announcement has been prepared in Danish and English. In the event of discrepancies, the English version prevails.

Yours sincerely,

