



H1 2014 Investor Presentation

Analyst conference call – 30 July 2014, 2.00 p.m. CET

Presentation available at www.dsv.com



Forward-looking statements

This presentation contains forward-looking statements.

Such statements are subject to risks and uncertainties as various factors, many of which are beyond DSV A/S' control, may cause actual development and results to differ materially from the expectations contained in the presentation.

Agenda

1. Highlights Q2 2014
2. Business segments
3. Financial review, cash flow and capital allocation
4. Update on market and financial outlook
5. Q&A



Highlights Q2 2014

- Positive volume development continued in Q2
 - Sea +9%
 - Air +11%
 - Road +4%
 - Solutions +2%
- 4.3% organic growth in EBIT before special items in Q2 2014 (5.9% in H1 2014)
- Air & Sea delivered 15.4% organic growth in EBIT in Q2 2014 (13.8% in H1 2014)
- Road and Solutions are still impacted by margin pressure
- Strong cash flow and new share buyback programme of DKK 400 million
- We maintain our outlook for full-year 2014, however we narrow the range for expected operating profit before special items
 - Now DKK 2,550 - 2,700 million (previous range DKK 2,500 - 2,700 million)

Business segments – Air & Sea

- Sea freight volume growth of 8.8% in Q2 2014 (2% growth from M&A)
- Air freight volume growth of 10.9% in Q2 2014 (2% growth from M&A)
- Approx. 4% negative impact from currency translation
- 15.4% organic EBIT growth in Q2 2014
 - New volume handled without increasing costs: 78% conversion ratio on additional GP in Q2 2014
 - Strong performance in Americas
 - Positive contribution from M&A

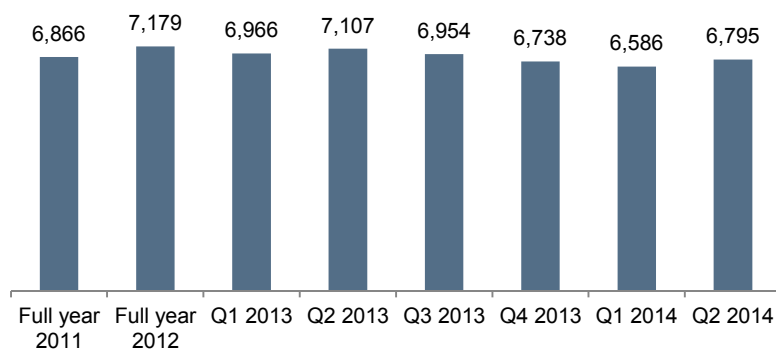
DKK million	Q2						YTD					
	2014	2013	Var.	Growth details			2014	2013	Var.	Growth details		
				Org.	M&A	Fx				Org.	M&A	Fx
Net revenue	5,485	5,000	9.7%	10.5%	2.8%	-3.5%	10,509	9,726	8.1%	7.3%	4.3%	-3.7%
Gross profit	1,150	1,090	5.5%	6.7%	2.6%	-3.7%	2,204	2,084	5.8%	6.6%	3.2%	-4.0%
EBIT bef. special items	398	351	13.4%	15.4%	2.8%	-4.6%	708	627	12.9%	13.8%	3.2%	-4.0%
<i>Profit margin</i>	7.3%	7.0%					6.7%	6.4%				
<i>Conversion ratio</i>	34.6%	32.2%					32.1%	30.1%				
Market growth (est.)												
Sea, gross profit	673	640	5.2%				1,289	1,218	5.8%			
TEU	216,044	198,612	8.8%		3-5%		412,014	376,624	9.4%		3-5%	
GP/TEU, DKK	3,116	3,224	-3.3%				3,128	3,239	-3.4%			
Air, gross profit	477	450	6.0%				915	866	5.7%			
Tonnes	70,109	63,235	10.9%		2-4%		136,763	122,878	11.3%		2-4%	
GP/tonne, DKK	6,795	7,107	-4.4%				6,693	7,039	-4.9%			



Gross profit per unit – Air & Sea

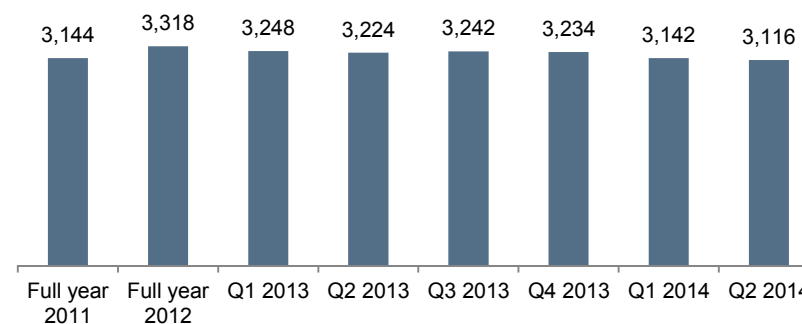
Air

Gross profit per tonne, DKK



Sea

Gross profit per TEU, DKK



- The graphs are not adjusted for exchange rate fluctuations. Compared to H1 2013, gross profit per unit for H1 2014 was negatively impacted by approx. 4%.



Business segments – Road

- 4% volume growth in Q2 2014 (approx. 1% from M&A)
 - Positive trend across most countries in Europe
- Gross margin remains under pressure in a highly competitive market
- EBIT for Q2 2014 DKK 27 million lower than same period last year
 - Negative impact from integration of Ontime Logistics
 - Underlying increase in cost base of approx. 2.5% (ex. M&A and FX effect)

DKK million	Q2						YTD					
	2014	2013	Var.	Growth details			2014	2013	Var.	Growth details		
				Org.	M&A	Fx				Org.	M&A	Fx
Net revenue	6,102	5,800	5.2%	4.5%	2.2%	-1.5%	12,126	11,466	5.8%	5.1%	2.2%	-1.6%
Gross profit	1,116	1,112	0.4%	0.1%	1.3%	-1.1%	2,195	2,169	1.2%	1.0%	1.6%	-1.3%
EBIT before special items	242	269	-10.0%	-8.0%	-2.2%	0.0%	441	471	-6.4%	-4.3%	-1.9%	-0.2%
Gross margin	18.3%	19.2%					18.1%	18.9%				
Profit margin	4.0%	4.6%					3.6%	4.1%				
Conversion ratio	21.7%	24.2%					20.1%	21.7%				

	DSV	Market (estimate)	DSV	Market (estimate)
Consignments, growth	4%	2-3%	5%	2-3%

Business segments – Solutions

- 2% growth in order lines in Q2 2014
 - In line with market
- 3.9% organic decline in gross profit in Q2 2014
 - Market remains competitive
 - Utilisation of warehouses is improving, however the division is still struggling with low empty space utilisation in certain areas
- 11.8% organic decline in EBIT
 - cost base further reduced
 - Q2 2013 was positively impacted by one-off gain on sale of property of DKK 10 million

DKK million	Q2						YTD					
	2014	2013	Var.	Growth details			2014	2013	Var.	Growth details		
				Org.	M&A	Fx				Org.	M&A	Fx
Net revenue	1,400	1,372	2.0%	3.2%	-	-1.1%	2,745	2,716	1.1%	2.3%	-	-1.3%
Gross profit	346	360	-3.9%	-3.1%	-	-0.8%	676	708	-4.5%	-3.8%	-	-0.7%
EBIT bef. special items	67	76	-11.8%	-11.8%	-	-	113	121	-6.6%	-6.6%	-	-
Gross margin	24.7%	26.2%					24.6%	26.1%				
Profit margin	4.8%	5.5%					4.1%	4.5%				
Conversion ratio	19.4%	21.1%					16.7%	17.1%				

	DSV	Market (estimate)	DSV	Market (estimate)
Order lines, growth	2%	2-3%	2%	2-3%



Financial review Q2 and H1 2014

DKK million	Q2						YTD					
	2014	2013	Var.	Growth details			2014	2013	Var.	Growth details		
				Org.	M&A	Fx				Org.	M&A	Fx
Net revenue	12,162	11,406	6.6%	6.6%	2.3%	-2.3%	23,764	22,387	6.2%	5.5%	3.0%	-2.4%
Gross profit	2,608	2,553	2.2%	2.8%	1.7%	-2.4%	5,073	4,957	2.3%	3.0%	2.1%	-2.7%
EBIT before special items	701	680	3.1%	4.3%	0.9%	-2.1%	1,247	1,189	4.9%	5.9%	1.1%	-2.1%
Profit for the period	464	417	11.3%				583	738	-21.0%			
Adjusted earnings	493	465	6.0%				866	817	6.0%			
EPS, DKK (diluted, adjusted)	2.83	2.60	8.8%				4.92	4.57	7.7%			
<i>Gross margin</i>	21.4%	22.4%					21.3%	22.1%				
<i>Profit margin</i>	5.8%	6.0%					5.2%	5.3%				
<i>Conversion ratio</i>	26.9%	26.6%					24.6%	24.0%				
Cost base												
Other external costs	497	504	-1.4%				1,009	1,024	-1.5%			
Staff costs, white-collar	1,279	1,245	2.7%				2,556	2,487	2.8%			

- Negative impact from currency translation
- Cost base increased approx. 2.0%, excluding M&A and currency impact
- Improved conversion ratio and growth in absolute EBIT before special items
- Financial costs and effective tax rate (25.9%) on expected level

Financial review – cash flow and debt

DKK million	H1 2014	H1 2013
EBITDA before special items	1,508	1,446
Cash flow from operating activities	906	724
Cash flow from investing activities, excl. M&A	-146	-50
Cash flow from investing activities, M&A	-	-80
Free cash flow	760	594
Free cash flow, adjusted for M&A	760	674
Net working capital (NWC)	517	611
NWC in % of revenue	1.1%	1.4%
Net interest-bearing debt	5,728	6,528
Financial gearing (NIBD/EBITDA)	1.8x	2.2x
Average duration, long-term debt (years)	4.6	4.2
Capital allocation		
M&A	-	80
Share buyback	466	383
Dividend paid	270	235
Other investing activities*	24	-24
Total	760	674

*) Deleverage, sale of treasury shares (stock options), change in cash etc.

- Cash flow from operating activities for H1 2014 was positively impacted by higher results and positive development in net working capital
- NWC was positively impacted by provisions related to Operational Excellence 2.0. Adjusted for this NWC as a % of revenue was approx. 1.6% at the end of Q2 2014
- NWC in Air & Sea has increased
- Cash flow from investing activities in H1 2013 was impacted by disposal of property
- Financial gearing in line with target of max. 2x EBITDA
- Long-term debt consists of approx. 50% bank debt and 50% corporate bonds

Share buyback and dividend

- New share buyback programme of DKK 400 million according to safe harbour method to be launched on 11 August 2014 and run until 27 October 2014
- Priority for use of free cash flow remains unchanged
 1. Repayment of debt, if financial gearing is above 2.0x EBITDA
 2. M&A
 3. Share buyback and dividend

Announced allocations to shareholders 2014 (DKK million)	Q1	Q2	Q3	Q4	Total
Dividend (1.50 DKK per share)	270	-	-	-	270
Share buyback - 200 million	156	44	-	-	200
Share buyback - 400 million		266	134		400
Share buyback - 400 million*			400	-	400
Total announced allocations 2014	426	310	534	-	1,270

*) Cash flow will partly be in Q4 as the programme will run until 27 October 2014.

Market growth forecast (freight volume)

- slight upwards adjustment in Air, Road and Solutions

Volume growth year on year	DSV H1 2014	Market H1 2014	Revised full- year 2014 forecast	Previous full- year 2014 forecast
Sea	9%	3 - 5%	3 - 5%	3 - 5%
Air	11%	2 - 4%	2 - 4%	1 - 3%
Road (Europe)	5%	2 - 3%	1 - 3%	1 - 2%
Solutions (Europe)	2%	2 - 3%	1 - 3%	1 - 2%

- The adjusted expectations for market growth are counterbalanced by margin pressure
- The overall target for DSV is to gain market share in all Divisions
- Market growth is based on DSV's estimates

Outlook for 2014 is maintained, but low end of EBIT range adjusted slightly

DKK million	Actual 2013	Outlook 2014	Growth %
Gross profit	10,005	10,100 - 10,500	+1% to +5%
EBIT before special items*	2,552	2,550 - 2,700	0% to +6%
Special items costs – Operational Excellence 2.0		300	
Net financial expenses	298	300	
Effective tax rate	26.1%	26%	
Adjusted free cash flow	1,754	Approx. 1,600	

*) Previous range was DKK 2,500 - 2,700 million

The financial outlook is based on the assumptions for market growth in 2014 described on the previous page.

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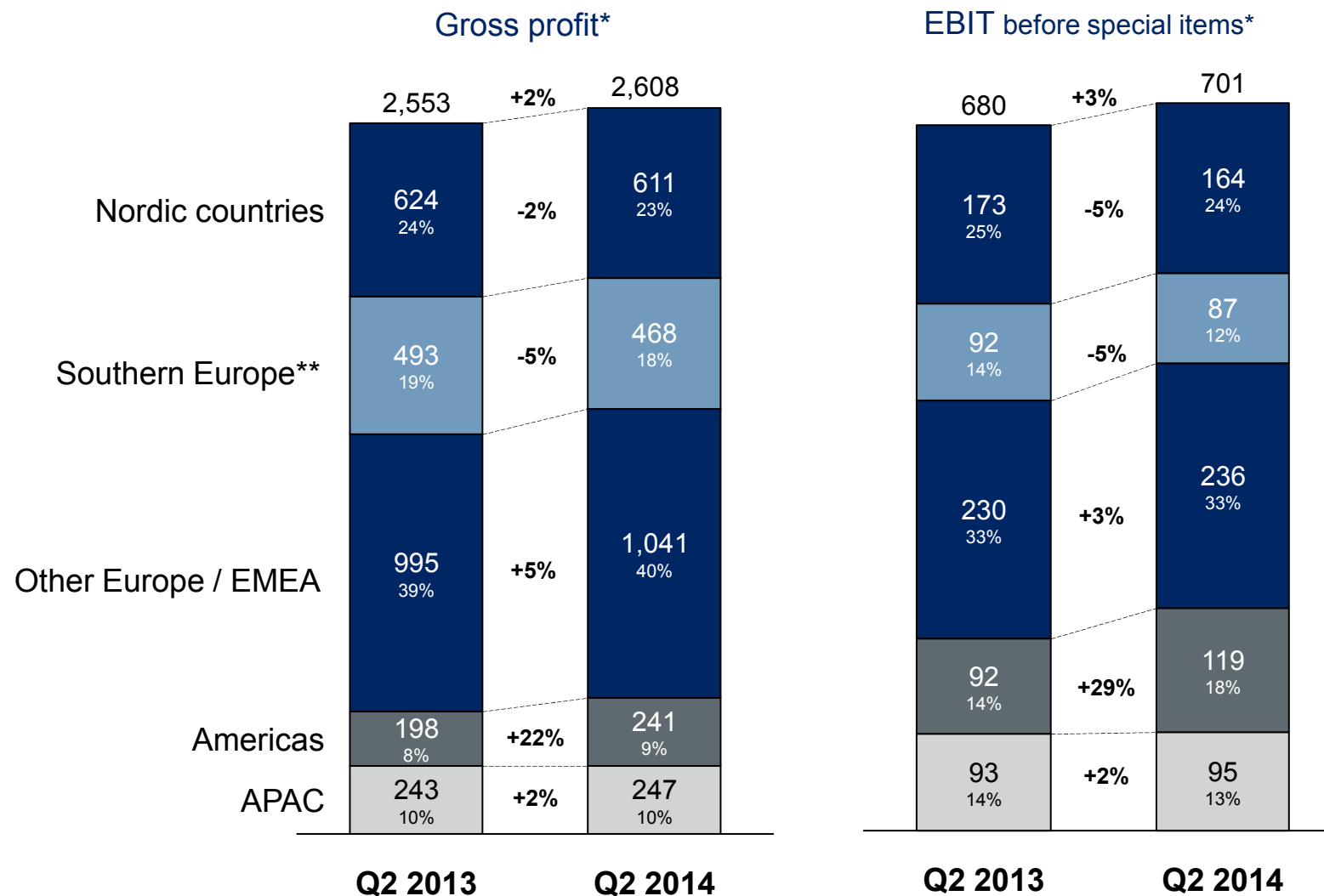
To ask questions press “* 1”



Backup slides

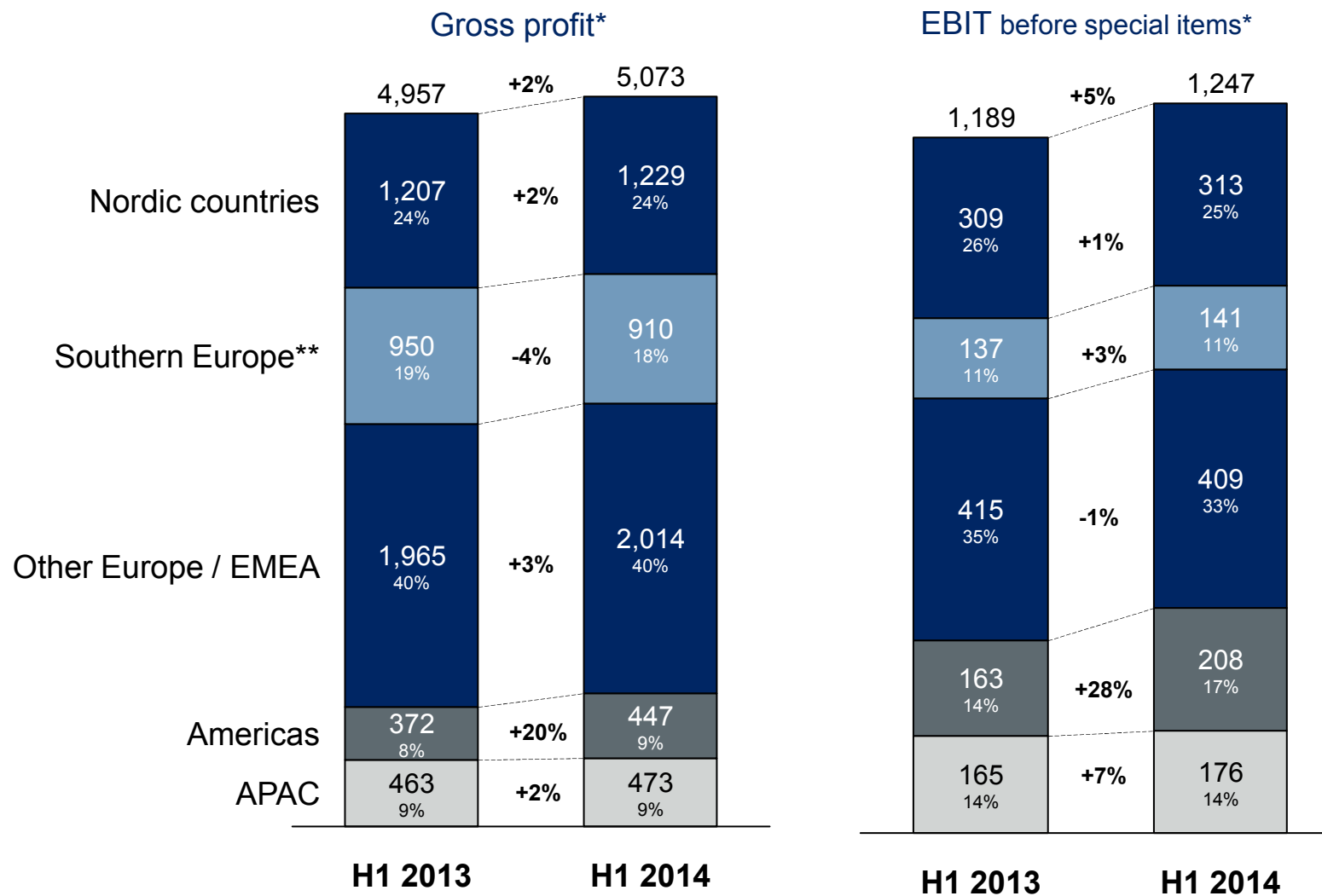


Regional development Q2 2014 (DKK million)



*) Growth % includes currency effect **) France, Portugal, Spain, Italy and Greece

Regional development H1 2014 (DKK million)



* Growth % includes currency effect **) France, Portugal, Spain, Italy and Greece

Long-term financial targets

– timeframe extended, otherwise unchanged

	Targets	Actual 2013
DSV – total		
Profit margin	7%	5.6%
Conversion ratio	30%	25.5%
ROIC (pre tax)	25%	21.1%
Air & Sea		
Profit margin	7-8%	6.9%
Conversion ratio	35%	32.4%
ROIC (pre tax)	25%	21.4%
Road		
Profit margin	5%	4.1%
Conversion ratio	25%	21.9%
ROIC (pre tax)	25%	25.1%
Solutions		
Profit margin	7%	4.7%
Conversion ratio	25%	18.2%
ROIC (pre tax)	20%	15.1%

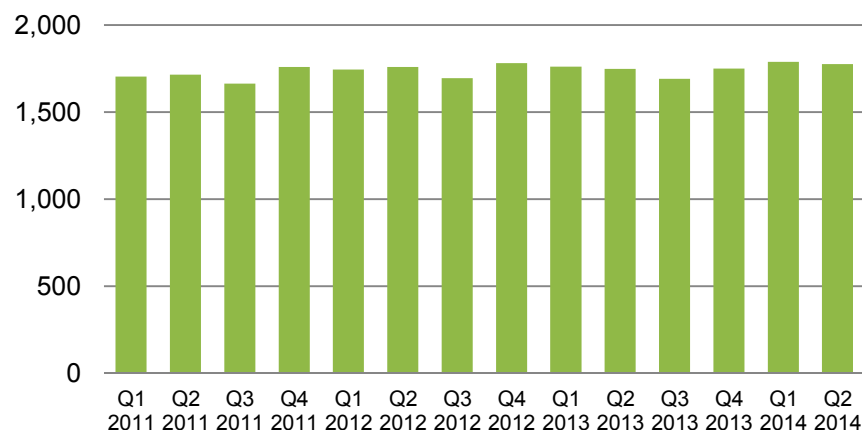
Profit margin = EBIT as % of revenue

Conversion ratio = EBIT as % of gross profit
(EBIT before special items)

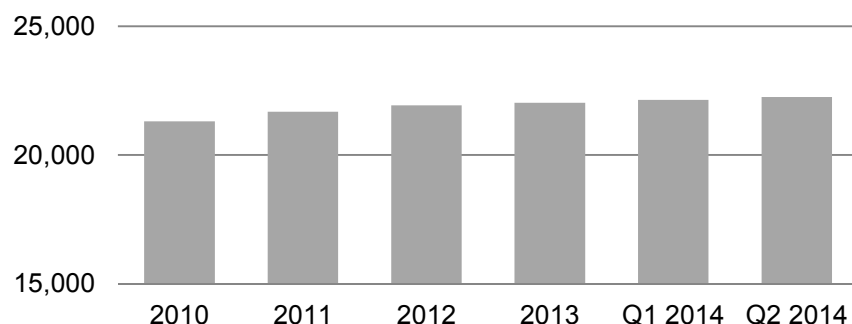
- We expect to reach the targets within 5 years counting from 2013
- Time frame has been extended by 2 years due to lower than expected growth in 2012 and 2013
- The targets are based on an assumption of annual transport market growth of at least 2% in the period
- Effective tax rate of 26% is expected
- Net working capital is expected in the level of 1% of revenue
- Normalised CAPEX is expected in the level of 0.5-1.0% of revenue

Keeping the cost base stable

Cost base – staff + other external costs (DKK million)



Employees – stable around the 22,000 mark



The cost base has been stable for 3½ consecutive years.

Inflationary increases of 1-2% per year and impact from M&A were absorbed by cost control and productivity gains.

A number of initiatives contributed to this development:

- Continued focus on improving work processes and IT systems
- Centralisation in certain areas – mainly back office
- "Operational Excellence" programme implemented in 2012 reduced cost base by approx. DKK 120 million per year

Operational Excellence 2.0 – update

The initiatives are expected to deliver cost savings of DKK 150 million per year

- P&L effect of approx. DKK 50 million in H2 2014
- Full year P&L effect expected in 2015
- Impact from cost savings mainly in Road and Solutions

Headlines

- Consolidation and optimisation of activities
- Centralisation of services in international and regional shared service centres

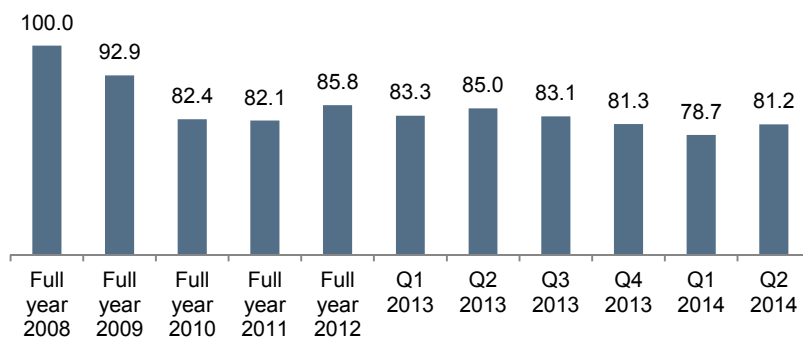
Costs related to Operational Excellence 2.0 amount to DKK 300 million

- Redundancy payments, termination of leases, etc.
- Reported as special items in Q1 2014
- Cash flow effect mainly in H2 2014 and in 2015

Gross profit per unit – Air & Sea “Old indexed format”

Air

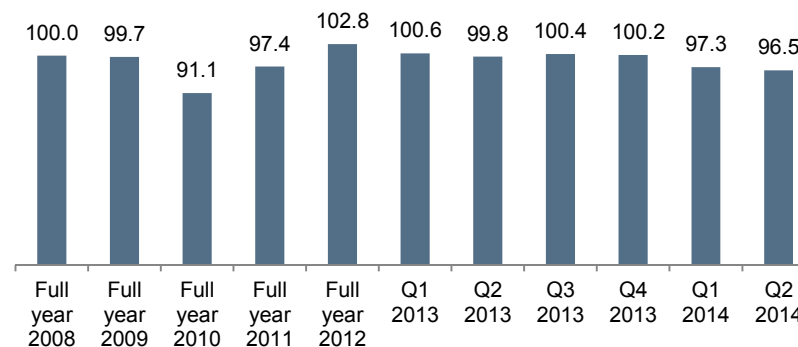
Gross profit per tonne
2008 = Index 100



- Full-year 2013 index 82.9

Sea

Gross profit per TEU
2008 = Index 100



- Full-year 2013 index 100.2

- The graphs are not adjusted for exchange rate fluctuations. Compared to H1 2013, gross profit per unit for H1 2014 was negatively impacted by approx. 3-4%.



Quarterly P&L details

DSV Group

(DKKm)	FY 2009	FY 2010	FY 2011	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014
Revenue	36,085	42,562	43,710	44,912	10,981	11,406	11,466	11,857	45,710	11,602	12,162
Direct costs	27,187	33,242	33,891	34,858	8,577	8,853	8,944	9,331	35,705	9,137	9,554
Gross profit	8,898	9,320	9,819	10,054	2,404	2,553	2,522	2,526	10,005	2,465	2,608
Other external expenses	1,988	1,955	2,092	2,116	520	504	489	497	2,010	512	497
Staff costs	4,671	4,644	4,752	4,864	1,242	1,245	1,203	1,253	4,943	1,277	1,279
EBITDA before special items	2,239	2,721	2,975	3,074	642	804	830	776	3,052	676	832
Amortisation and depreciation	536	519	549	534	133	124	139	104	500	130	131
EBIT before special items	1,703	2,202	2,426	2,540	509	680	691	672	2,552	546	701
Special Items, net	(688)	(5)	-	(275)	(2)	(23)	(42)	(62)	(129)	(300)	-
Financial costs, net	(555)	(537)	(431)	(246)	(69)	(81)	(79)	(69)	(298)	(85)	75
Profit before tax	460	1,660	1,995	2,019	438	576	570	541	2,125	161	626
Tax on profit for the period	269	466	546	589	117	159	142	136	554	42	162
Profit for the period	191	1,194	1,449	1,430	321	417	428	405	1,571	119	464
Gross Margin, %	24.7	21.9	22.5	22.4	21.9	22.4	22.0	21.3	21.9	21.2	21.4
Profit Margin, %	4.7	5.2	5.6	5.7	4.6	6.0	6.0	5.7	5.6	4.7	5.8
Conversion Ratio, %	19.1	23.6	24.7	25.3	21.2	26.6	27.4	26.6	25.5	22.2	26.9
Tax percentage	58.5	28.1	27.4	29.2	26.7	27.6	24.9	25.1	26.1	26.1	25.9
Blue collar costs (included in direct costs)		2,024	2,119	2,217	555.0	556.0	538.0	580.0	2,229	565.0	577.0
Number of full time employees	21,300	21,300	21,678	21,932	21,650	21,812	22,302	22,021		22,133	22,254

Quarterly P&L details

Air & Sea

(DKKm)	FY 2009	FY 2010	FY 2011	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014
Revenue	13,994	19,404	18,926	19,855	4,726	5,000	5,171	5,298	20,195	5,024	5,485
Direct costs	10,570	15,609	14,836	15,586	3,732	3,910	4,074	4,181	15,897	3,970	4,335
Gross profit	3,424	3,795	4,090	4,269	994	1,090	1,097	1,117	4,298	1,054	1,150
Other external expenses	737	819	863	909	232	234	222	229	917	236	234
Staff costs	1,647	1,637	1,740	1,814	460	479	466	478	1,883	481	491
EBITDA before special items	1,040	1,339	1,487	1,546	302	377	409	410	1,498	337	425
Amortisation and depreciation	113	126	132	134	26	26	26	27	105	27	27
EBIT before special items	927	1,213	1,355	1,412	276	351	383	382	1,392	310	398
Gross Margin, %	24.5	19.6	21.6	21.5	21.0	21.8	21.2	21.1	21.3	21.0	21.0
Profit Margin, %	6.6	6.3	7.2	7.1	5.8	7.0	7.4	7.2	6.9	6.2	7.3
Conversion Ratio, %	27.1	32.0	33.1	33.1	27.8	32.2	34.9	34.3	32.4	29.4	34.6
Number of full time employees	5,925	5,893	6,092	6,331	6,049	6,140	6,374	6,310	6,310	6,285	6,352

Road

(DKKm)	FY 2009	FY 2010	FY 2011	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014
Revenue	19,408	21,103	22,641	22,654	5,666	5,800	5,686	5,964	23,117	6,024	6,102
Direct costs	15,348	16,998	18,361	18,308	4,609	4,688	4,614	4,906	18,818	4,945	4,986
Gross profit	4,060	4,105	4,280	4,346	1,057	1,112	1,072	1,058	4,299	1,079	1,116
Other external expenses	1,009	973	1,034	1,020	244	239	246	246	975	254	253
Staff costs	2,279	2,199	2,258	2,258	579	574	544	587	2,284	593	589
EBITDA before special items	772	933	988	1,068	234	299	282	225	1,040	232	274
Amortisation and depreciation	179	162	154	135	32	30	36	-	98	33	32
EBIT before special items	593	771	834	933	202	269	246	225	942	199	242
Gross Margin, %	20.9	19.5	18.9	19.2	18.7	19.2	18.9	17.7	18.6	17.9	18.3
Profit Margin, %	3.1	3.7	3.7	4.1	3.6	4.6	4.3	3.8	4.1	3.3	4.0
Conversion Ratio, %	14.6	18.8	19.5	21.5	19.1	24.2	22.9	21.3	21.9	18.4	21.7
Number of full time employees	9,858	9,777	9,806	9,730	9,220	9,251	9,433	9,372		9,457	9,313

Quarterly P&L details

Solutions

(DKKm)	FY 2009	FY 2010	FY 2011	FY 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014
Revenue	4,775	4,861	5,009	5,181	1,344	1,372	1,374	1,379	5,470	1,345	1,400
Direct costs	3,322	3,401	3,526	3,743	996	1,012	1,018	1,034	4,061	1,015	1,054
Gross profit	1,453	1,460	1,483	1,438	348	360	356	345	1,409	330	346
Other external expenses	525	517	526	502	119	110	108	107	444	105	100
Staff costs	524	531	521	541	141	138	132	130	541	140	140
EBITDA before special items	404	412	436	395	88	112	116	108	424	85	106
Amortisation and depreciation	176	144	158	145	43	36	45	44	168	39	39
EBIT before special items	228	268	278	250	45	76	71	64	256	46	67
Gross Margin, %	30.4	30.0	29.6	27.8	25.9	26.2	25.9	25.0	25.8	24.5	24.7
Profit Margin, %	4.8	5.5	5.6	4.8	3.3	5.5	5.2	4.6	4.7	13.9	19.4
Conversion Ratio, %	15.7	18.4	18.7	17.4	12.9	21.1	19.9	18.6	18.2	3.4	4.8
Number of full time employees	5,497	5,284	5,414	5,428	5,916	5,937	6,009	5,838		5,830	5,973