



DSV Q3 2013 Investor Presentation

Analyst Conference Call – 29 October 2013, 2.00 p.m. CET



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 Q3 2013
2. Business segments
3. Financial review Q3 2013
4. Capital allocation
5. Q & A



Highlights Q3 2013

- No significant market trend changes in Q3 2013 – low growth and tough price competition are still main characteristics
- DSV continues to win market share in most markets
- EBIT for the quarter 691 million DKK – on level with Q3 2012
- Strong cash conversion
- Integration of acquired companies overall progressing as planned
- Financial guidance for 2013 maintained
- Current financial gearing of 2.1 x EBITDA
 - On track to reach target (below 2.0 x EBITDA at year end 2013)
 - No share buyback programme initiated for this quarter



Business segments – Air & Sea

- Sea freight – strong volume growth and stable GP per TEU
 - Approx. 3% of volume growth relate to acquired companies in Q3 2013
- Air freight – volume development below market, but catching up in Q3 2013
 - Approx. 1% of volume growth relates to acquired companies in Q3 2013
- Project logistics market is suffering, especially wind, oil and gas, military and defence
 - Gross profit down 60 million DKK and EBIT down 40 million DKK for the first 9 months of 2013
 - Seatainers Group A/S negatively impacted by the weak project market
- EBIT for Q3 2013 down 2.5% organically
 - Conversion ratio impacted by integration of acquired companies and start-up of new offices

DKK million	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Organic growth Q3	YTD 2012	YTD 2013	Organic growth YTD
Revenue	5,236	5,157	4,726	5,000	5,171	-3.1%	14,698	14,897	-1.7%
Gross profit	1,106	1,077	994	1,090	1,097	0.7%	3,192	3,181	-1.1%
<i>Gross margin</i>	21.1%	20.9%	21.0%	21.8%	21.2%		21.7%	21.4%	
EBIT	397	341	276	351	383	-2.5%	1,071	1,010	-5.5%
<i>EBIT margin</i>	7.6%	6.6%	5.8%	7.0%	7.4%		7.3%	6.8%	
<i>Conversion ratio</i>	35.9%	31.7%	27.8%	32.2%	34.9%		33.6%	31.8%	

Growth vs. 2012	Q3 2013		YTD 2013	
	DSV	Market*	DSV	Market*
Sea freight (TEUs)	8%	2% to 3%	5%	1% to 2%
Air freight (tonnes)	-1%	1% to 2%	-2%	0%

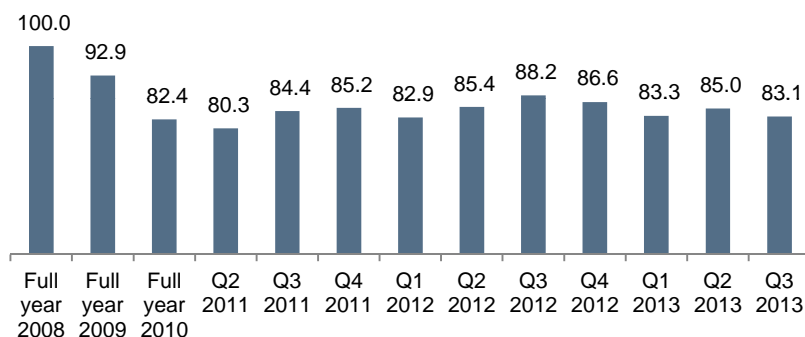
*) DSV's estimates



Gross profit per unit – Air & Sea

Air

Gross profit per tonne
2008 = Index 100

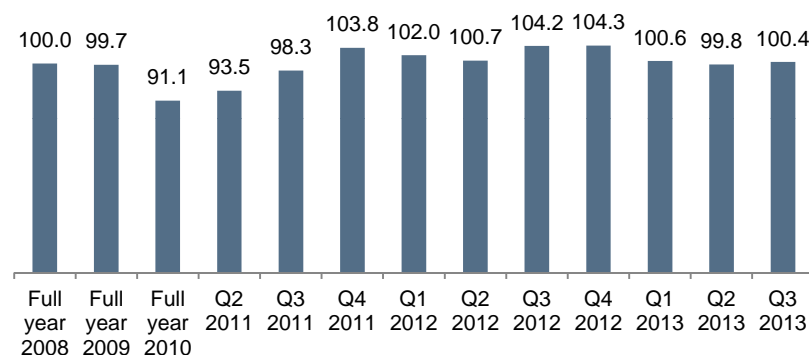


- Full-year 2012 index 85.8 (2011: 81.8)

- The graphs are not adjusted for exchange rate fluctuations. Compared with 2012, gross profit per unit for 2013 is negatively impacted by lower USD/DKK rate – the estimated impact is minus 2-3% for Q3 2013 and minus 1-2% for the full year 2013.

Sea

Gross profit per TEU
2008 = Index 100



- Full-year 2012 index 102.8 (2011: 97.4)



Business segments – Road

- The Division has gained market share in most countries
 - Market remains competitive in all regions
- Gross margin under pressure compared with 2012, but seems to have stabilised
 - Trend towards smaller average shipment size continues
 - Growth within domestic distribution where gross margin is normally lower than for international transports
- Organic growth of 9.3% in EBIT in Q3 2013
 - Satisfactory development in conversion ratio
 - Negative impact from M&A on EBIT level in integration period

DKK million	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Organic growth Q3	YTD 2012	YTD 2013	Organic growth YTD
Revenue	5,494	5,619	5,666	5,800	5,686	3.3%	17,035	17,152	-0.2%
Gross profit	1,054	1,060	1,057	1,112	1,072	1.4%	3,286	3,241	-1.9%
<i>Gross margin</i>	19.2%	18.9%	18.7%	19.2%	18.9%		19.3%	18.9%	
EBIT	234	215	202	269	246	9.3%	718	717	1.8%
<i>EBIT margin</i>	4.3%	3.8%	3.6%	4.6%	4.3%		4.2%	4.2%	
<i>Conversion ratio</i>	22.2%	20.3%	19.1%	24.2%	22.9%		21.9%	22.1%	

Growth vs. 2012	Q3 2013			YTD 2013	
	DSV	Market*		DSV	Market*
Consignments	4%	-2% to 0%		3%	-2% to 0%

*) DSV's estimates



Business segments – Solutions

- Satisfactory trend in revenue and activity level continues in Q3 2013
 - Stagnating market, but with regional differences
 - Marginal impact from start-up of Solutions activities in certain countries (partly transferred from Road and A&S)
 - DSV Solutions is now present in Europe, Asia and North America
- Decline in gross profit for Q3 2013, in spite of higher activity level
 - New contracts with higher revenue but lower GP per order line and lower overall profitability
- Positive EBIT development

DKK million	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Organic growth Q3	YTD 2012	YTD 2013	Organic growth YTD
Revenue	1,286	1,335	1,344	1,372	1,374	7.3%	3,846	4,090	6.3%
Gross profit	369	357	348	360	356	-3.3%	1,081	1,064	-1.6%
Gross margin	28.7%	26.7%	25.9%	26.2%	25.9%		28.1%	26.0%	
EBIT	69	67	45	76	71	4.4%	183	192	6.1%
EBIT margin	5.4%	5.0%	3.3%	5.5%	5.2%		4.8%	4.7%	
Conversion ratio	18.7%	18.8%	12.9%	21.1%	19.9%		16.9%	18.0%	

	Q3 2013		YTD 2013	
Growth vs. 2012	DSV	Market*	DSV	Market*
Order lines	5%	0%	3%	-2% to 0%

*) DSV's estimates

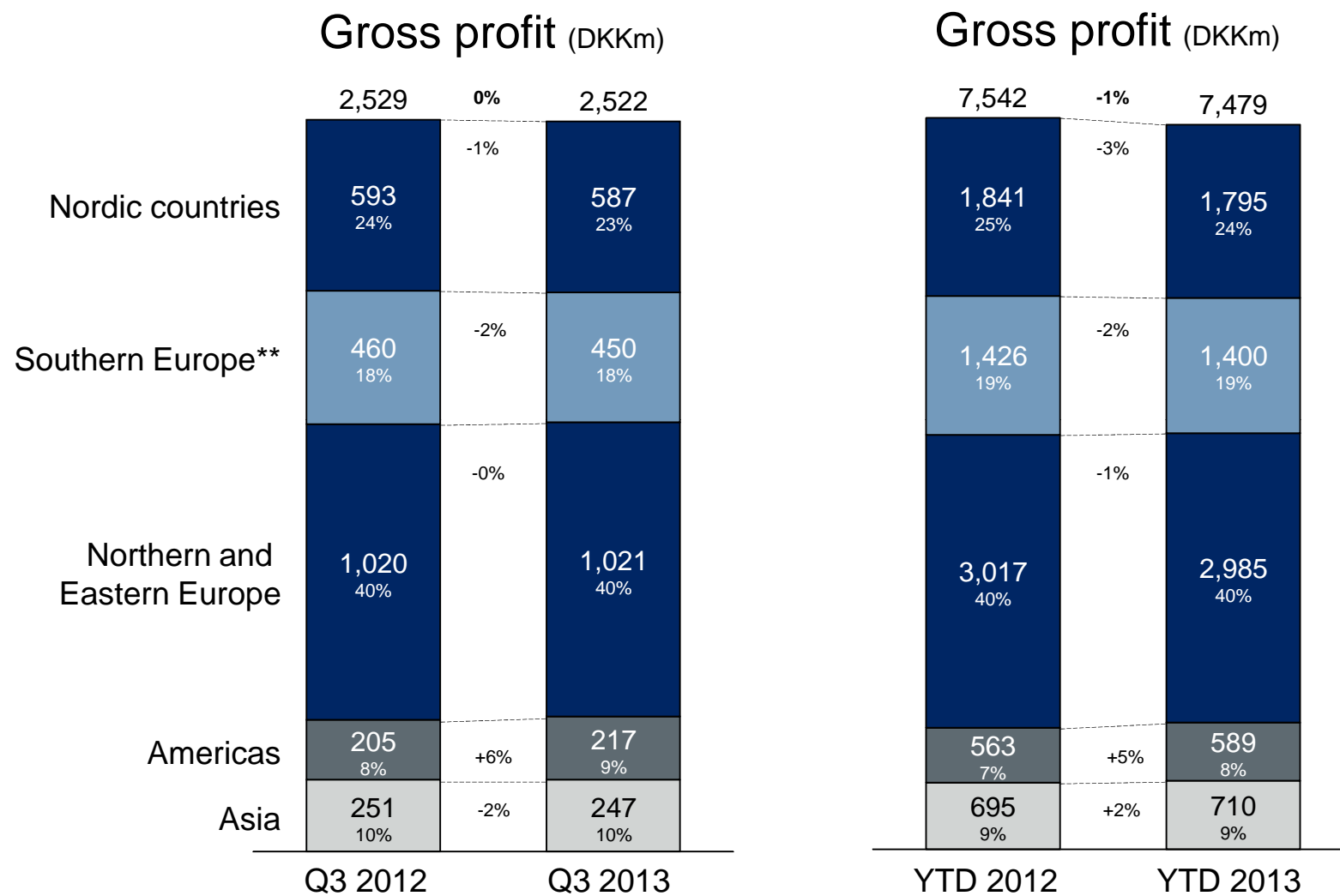


Financial review Q3 2013

DKK million	Q3 2012	Q3 2013	Organic growth	YTD 2012	YTD 2013	Organic growth
Revenue	11.313	11.466	0,3%	33.504	33.853	-0,8%
Direct costs	8.241	8.406		24.319	24.725	
Staff costs, blue-collar	543	538		1.643	1.649	
Gross profit	2.529	2.522	0,8%	7.542	7.479	-1,1%
Other external costs	530	489		1.566	1.513	
Staff costs, white-collar	1.165	1.203		3.633	3.690	
EBITDA	834	830		2.343	2.276	
Depreciation and amortisation	143	139		410	396	
EBIT, before special items	691	691	2,2%	1.933	1.880	-1,7%
Special items	3	42		254	67	
EBIT	688	649		1.679	1.813	
Net financials	80	79		236	229	
Profit before tax	608	570		1.443	1.584	
Tax	172	142		415	418	
Net profit	436	428		1.028	1.166	
Diluted, adjusted EPS, DKK (period)	2,39	2,42		7,02	7,33	
Diluted, adjusted EPS, DKK (12 months)				8,92	9,81	
Employees - at 30 September				21.579	22.302	
KPIs						
EBIT-margin, before special items	6,1%	6,0%		5,8%	5,6%	
Conversion ratio	27,3%	27,4%		25,6%	25,1%	
Effective tax rate	28,3%	24,9%		28,8%	26,4%	

- Other external costs and staff costs remain well under control
- The total cost base is impacted by integration of acquired companies
- Increase in total headcount of approx. 800 from M&A (year-on-year)
- Negative impact from currency rates, mainly USD, in Q3 2013
- Special items of 67 DKK million DKK million does not include full provision for SBS and Ontime Logistics
- Financial costs and tax in line with expectations

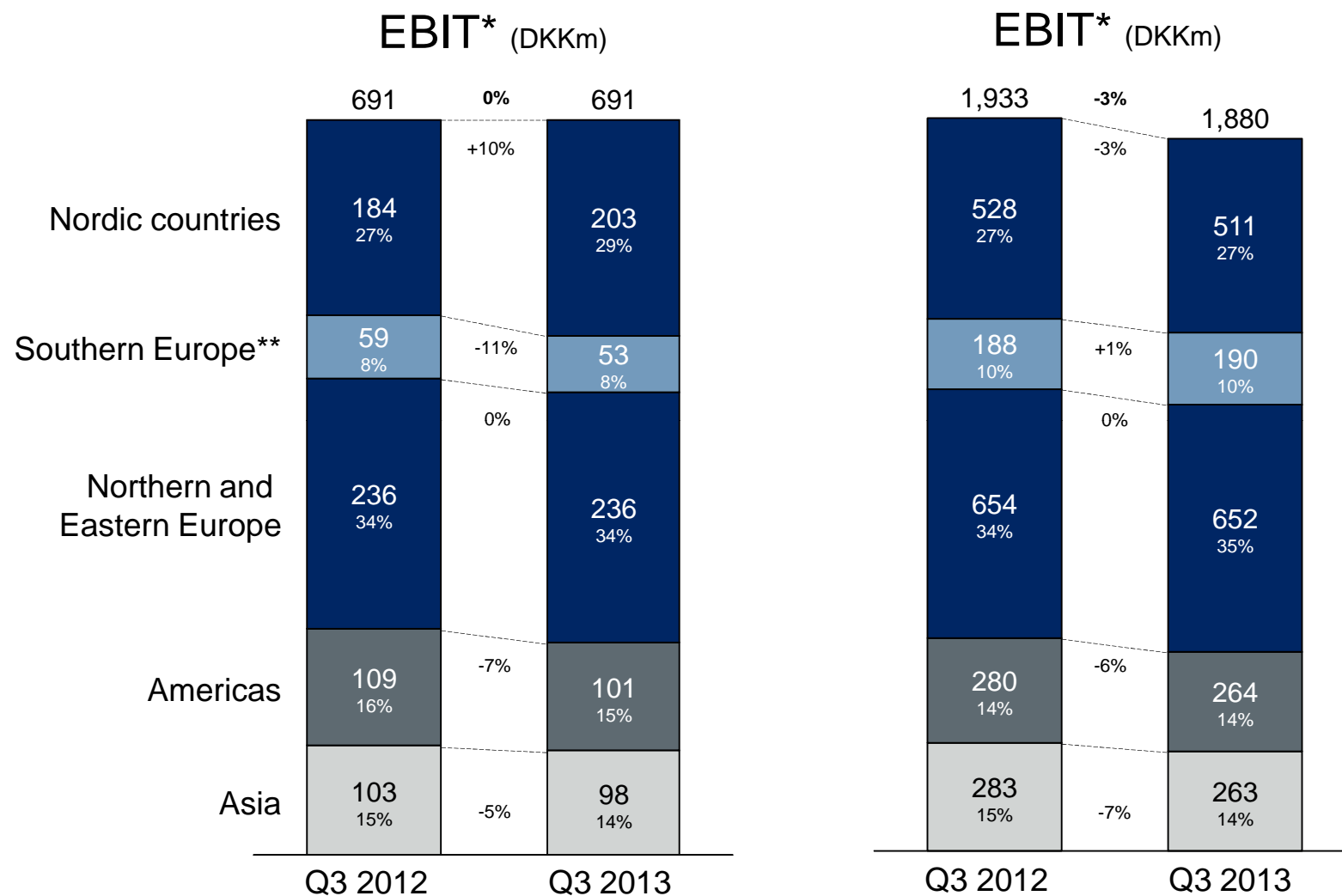
Gross profit – regional development Q3 and YTD 2013



*)EBIT before special items

**) Southern Europe: France, Italy, Spain, Portugal and Greece

EBIT* – regional development Q3 and YTD 2013



*) EBIT before special items

**) Southern Europe: France, Italy, Spain, Portugal and Greece

Financial review Q3 2013 – cash flow and debt

DKK million	Q1 - Q3 2012	Q1 - Q3 2013
Cash flow statement - key figures		
Profit before tax	1,443	1,584
Amortisation and depreciation	410	396
Change in NWC	-126	-182
Corporation tax paid	-675	-347
Changes in provisions etc.	84	-83
Cash flow from operating activities	1,136	1,368
Cash flow from investing activities, excl. M&A	-54	-122
Cash flow from investing activities, M&A	12	-265
Free cash flow	1,094	981
Free cash flow, adjusted for M&A	1,082	1,281
Net working capital (NWC)		
NWC	210	512
NWC/revenue	0.5%	1.1%
Net interest-bearing debt (NIBD)		
Net interest-bearing debt (NIBD)	6,478	6,290
Financial gearing (NIBD/EBITDA)	2.1x	2.1x
Average duration, long-term debt (years)	3.6	4.4

- Cash flow for Q1-Q3 2013 is on expected level, and adjusted free cash flow for 2013 is expected to be around 1,750 million DKK
- Increase in net working capital, mainly related to the Air & Sea division and M&A
- Target for NWC remains at max. 1% of revenue
- Enterprise value for acquired companies YTD 2013 amounts to 410 million DKK
- On track to reach target for financial gearing by year end 2013 (below 2.0 x EBITDA)

Capital allocation and distribution to shareholders

- Free cash flow in Q4 2013 will mainly be allocated to repayment of debt
 - In line with DSV's capital allocation policy
 - 410 million DKK spent on M&A YTD 2013 (enterprise value)
- Share buyback programme of DKK 300 million was concluded on 24 October 2013
- As per 29 October 2013, the portfolio of treasury shares amounted to 5.0 million shares (corresponding to 2.8% of shares issued)
- YTD 2013 DSV has bought back 4.9 million shares at an average price of 144 DKK and corresponding to 2,7% of shares issued. In 2012, the total share buyback for the year corresponded to 5.5% of shares issued. The average price in 2012 was 125 DKK

Announced allocations to shareholders (DKK million)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Total 2013
Dividend	235				235
Share buyback 30 April 2013		383	17		400
Share buyback 30 July 2013			205	95	300
Total allocated to shareholders 2013	235	383	222	95	935

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To ask questions press “* 1”



Appendix



Outlook 2013

DKK million	Actual 2012	Outlook 2013	Growth %
Gross profit	10,054	10,100 - 10,500	0% to +4%
Operating profit before special items	2,540	2,550 - 2,750	0% to +8%
Net financial expenses	246	300	
Effective tax rate	29.2%	26%	
Free cash flow - before M&A	1,509	1,750	

The financial outlook is based on the following assumptions for market growth in 2013:

Market growth - transport volume	Actual 2012	Expected 2013*
Air	-1% to -3%	0%
Sea	0% to -2%	+2% to +3%
Road	-1% to -3%	-1% to -2%
Solutions	0%	-1% to -2%

*) revised in July 2013








DSV has a target of gaining market share in all markets of the Group

Market growth forecast 2013 (freight volume)

	DSV Q1 – Q3 2013	Market Q1 – Q3 2013	Full-year 2013 market growth forecast	Changes to previous market forecast
Air	-2%	1% to 2%	0%	Unchanged
Sea	+5%	1% to +2%	+2% to +3%	Unchanged
Road (Europe)	+3%	0% to -2%	-1% to -2%	Unchanged
Solutions (Europe)	+3%	0%	-1% to -2%	Unchanged

- Market expectations were revised at the end of Q2 2013
- The overall target for DSV is to gain market share in all Divisions
- Market growth is based on own estimates

M&A update

	Transaction status	Annual revenue (DKK million)	Area	Division (primary)	Included in DSV Group from
	Announced and closed	225	Czech Republic	Road	October 2012
	Announced and closed	400 (70% consolidated)	Africa, Middle East, Asia	Air & Sea	October 2012
	Announced and closed	190	Argentina, Chile, Peru	Air & Sea	November 2012
	Announced and closed	1,000	Denmark / Global	Air & Sea, Project	April 2013
	Announced	45	Columbia	Air & Sea	Expected Q4 2013
	Announced and closed	600	Denmark, Norway, Sweden	Road	September 2013
	Announced and closed	450	UK, USA	Air & Sea	September 2013

Long-term financial targets

	Targets	Actual 2012
DSV - total		
EBIT margin	7%	5,7%
Conversion ratio	30%	25,3%
ROIC (pre tax)	25%	21,2%
Air & Sea		
EBIT margin	7-8%	7,1%
Conversion ratio	35%	33,1%
ROIC (pre tax)	25%	22,3%
Road		
EBIT margin	5%	4,1%
Conversion ratio	25%	21,5%
ROIC (pre tax)	25%	24,8%
Solutions		
EBIT margin	7%	4,8%
Conversion ratio	25%	17,4%
ROIC (pre tax)	20%	13,6%

EBIT before special items

Conversion ratio = EBIT as % of gross profit

- Targets are mid/long-term (3-4 years)
- Effective tax rate of 26% is expected from 2013 and onwards
- Net Working Capital is expected below 1% of revenue
- CAPEX is expected in the level of 0.5-1.0% of revenue
- Target for Financial gearing ratio (NIBD/EBITDA) is below 2.0x
- Priority for use of free cash flow:
 1. Debt repayment (if debt above target)
 2. M&A
 3. Share buy-back and dividend