



## **Q1 2015 Investor Presentation**

**Analyst conference call – 30 April 2015, 2.00 p.m. CET**

Presentation available at [www.dsv.com](http://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 significantly from the expectations outlined in the presentation.

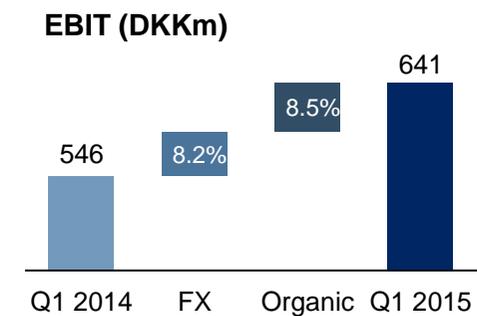
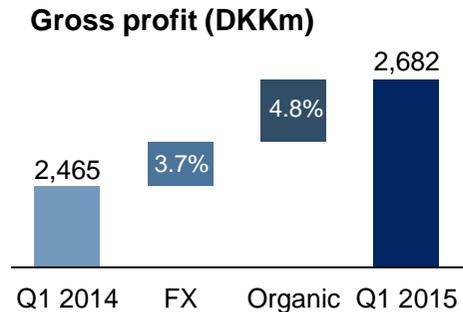
# Agenda

- 1 Highlights Q1 2015
- 2 Business segments
- 3 Financial review
- 4 Q&A



# Highlights Q1 2015

- 4.8% organic growth in gross profit driven by solid above market growth in transport volumes
- 8.5% organic growth in EBIT
  - The Air & Sea Division delivered another strong quarter
  - The Road Division moved forward and achieved 8.4% organic growth in EBIT
  - The Solutions Divisions saw a decline in EBIT for the period
- Focus on expanding the network
- New share buyback programme of DKK 500 million
- We maintain the financial outlook for 2015



# Business segments Q1 2015 – Air & Sea

## Highlights

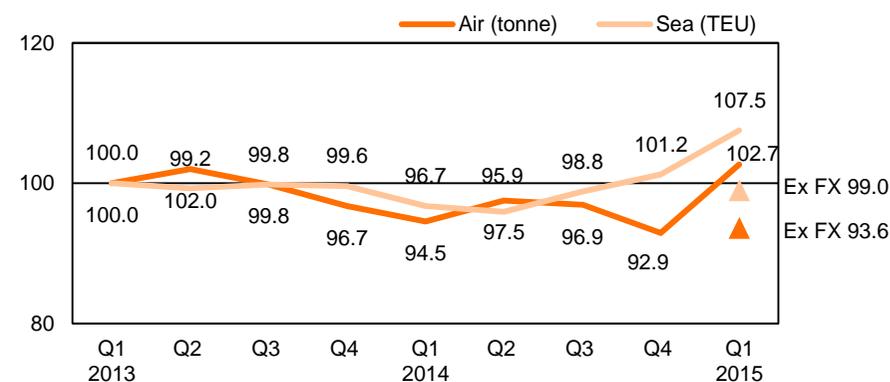
- Air freight volume growth of 8%
- Sea freight volume growth of 4%
  - Import to Europe challenged by weak Euro
- Improved profit per unit mainly due to currency translation
- 11.2% organic growth in EBIT
  - Improved productivity – 45% conversion ratio on incremental GP
  - Leveraging IT platform
  - Continued investments to strengthen global network



(DKKm)	Q1 2015	Q1 2014	Growth	
			Var.	FX
Net revenue	5,421	5,024	7.9%	6.8%
Gross profit	1,226	1,054	16.3%	8.4%
<b>EBIT*</b>	<b>388</b>	<b>310</b>	<b>25.2%</b>	<b>12.5%</b>
Profit margin	7.2%	6.2%		
Conversion ratio	31.6%	29.4%		
			Growth	
			DSV	Market
<b>Volume, TEU</b>	<b>204,057</b>	<b>195,970</b>	<b>4.1%</b>	<b>2-3%</b>
Sea, gross profit	713	616	15.7%	
GP/TEU, DKK	3,492	3,142	11.1%	
<b>Volume, tonnes</b>	<b>71,749</b>	<b>66,654</b>	<b>7.6%</b>	<b>3-4%</b>
Air, gross profit	513	438	17.1%	
GP/tonne, DKK	7,153	6,586	8.6%	

\*EBIT before special items

Development in gross profit per tonne/TEU (Q1 2013 = index 100)



# Business segments Q1 2015 – Road

## Highlights

- 5% growth in consignments
- Gross margin recovered well due to a more favourable business environment in Europe
  - Lost ground in Q4 2014 related to fuel price drop was recovered in Q1
  - New business won in 2014 is now up and running more efficiently
- 8.4% organic growth in EBIT
  - OPEX 2.0 had a positive effect both on GP and EBIT
  - Improved performance across Europe



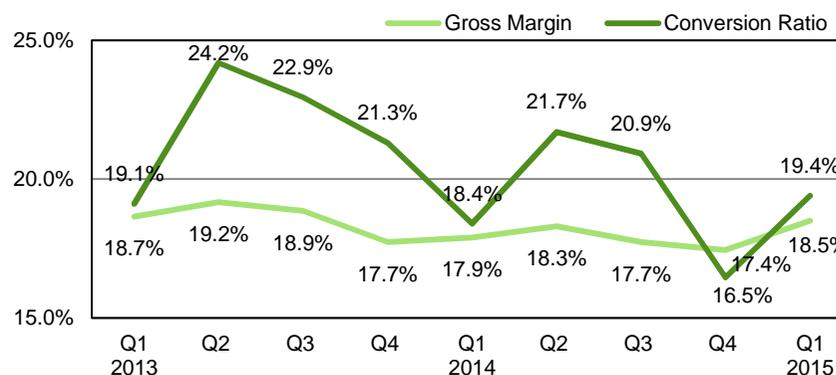
(DKKm)	Q1 2015	Q1 2014	Growth	
			Var.	FX
Net revenue	6,122	6,024	1.6%	-0.8%
Gross profit	1,132	1,079	4.9%	0.0%
<b>EBIT*</b>	<b>220</b>	<b>199</b>	<b>10.6%</b>	<b>2.0%</b>
Gross margin	18.5%	17.9%		
Profit margin	3.6%	3.3%		
Conversion ratio	19.4%	18.4%		

	Growth	
	DSV	Market
Consignments	5%	1-2%

\*EBIT before special items

## Development in gross margin (%)



# Business segments Q1 2015 – Solutions

## Highlights

- 5% growth in order lines
  - Growth from new customers
  - Planned discontinuation of a large customer contract
- Gross margin dropped to 22.9%
  - Impact from implementation of new customer contracts
  - Price pressure due to continued overcapacity
- DKK 10 million decline in EBIT
  - Drop in gross margin is the main factor
  - Improved performance expected over the next quarters



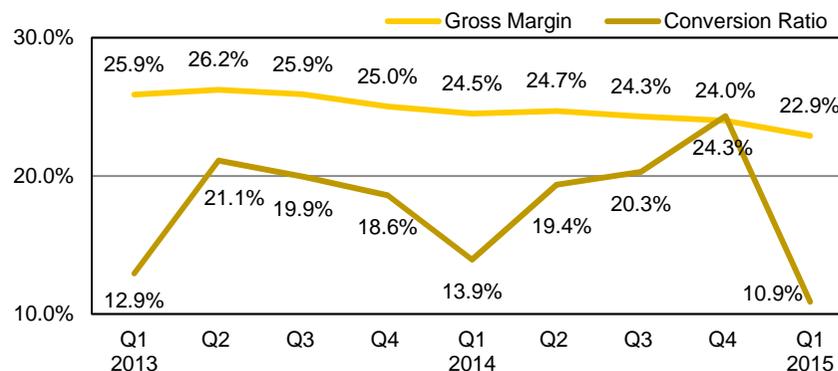
(DKKm)	Q1 2015	Q1 2014	Growth	
			Var.	FX
Net revenue	1,440	1,345	7.1%	-0.3%
Gross profit	330	330	0.0%	0.9%
<b>EBIT*</b>	<b>36</b>	<b>46</b>	<b>-21.7%</b>	<b>4.3%</b>
Gross margin	22.9%	24.5%		
Profit margin	2.5%	3.4%		
Conversion ratio	10.9%	13.9%		

	Growth	
	DSV	Market
Order lines	5%	1-2%

\*EBIT before special items

## Development in gross margin (%)



# Financial review Q1 2015 – P&L

(DKKm)	Q1 2015	Q1 2014	Growth	
			Var.	FX
Gross profit	2,682	2,465	8.8%	3.7%
Other external expenses	543	512	6.1%	3.0%
Staff costs, white-collar	1,370	1,277	7.3%	2.4%
<b>EBIT*</b>	<b>641</b>	<b>546</b>	<b>17.4%</b>	<b>8.2%</b>
Special items, costs	0	-300	-100.0%	
Net financial expenses	-72	-85	-15.3%	
<b>Profit before tax</b>	<b>569</b>	<b>161</b>	<b>353.4%</b>	
Tax on profit for the period	142	42	338.1%	
<b>Profit for the period</b>	<b>424</b>	<b>119</b>	<b>356.3%</b>	
<b>Key Performance Indicators</b>			Var.	
Gross margin (%)	21.3	21.2		
Operating margin (%)	5.1	4.7		
Conversion ratio (%)	23.9	22.2		
Effective tax rate (%)	25.0	26.1		
Employees, end of quarter	22,599	22,133	2.1%	
12m EPS DKK (diluted and adjusted)	11.07	10.22	8.3%	

\*EBIT before special items

- Tailwind from currency translation and strong underlying growth rates
- Improved productivity reflected in margin development
- Growth in cost base is mainly due to currency, general pickup in business activity and expansion of global network
- Operational Excellence 2.0 is completed. Our International Shared Service Centre is approaching 400 employees
- Financial expenses and tax in line with expectations

# Financial review Q1 2015 – cash flow and debt

(DKKm)	Q1 2015	Q1 2014
<b>EBITDA</b>	<b>769</b>	<b>676</b>
Change in net working capital	-120	-24
Change in provisions (incl. special items)	-120	43
Corporation tax paid and other adjustments	-181	-137
<b>Cash flow from operating activities</b>	<b>348</b>	<b>558</b>
Cash flow from investing activities	-205	-72
<b>Free cash flow *</b>	<b>143</b>	<b>486</b>
<b>Key ratios</b>		
<i>NWC in % of revenue</i>	0.9%	0.5%
<i>Financial gearing (NIBD/EBITDA)</i>	1.9x	1.9x
<i>Average duration, long-term debt (years)</i>	4.5	4.6

\*) There is no impact from M&A in the period

- Cash flow from operating activities positively affected by the improved results
  - However, higher NWC along with the settlement of provisions impacted negatively
  - NWC increased due to higher activity level. The increase is mainly in Air & Sea
- Temporary increase in investing activities due to property transactions (sale and leaseback). Cash inflow expected in Q2 2015
- Financial gearing in line with target of around 2.0 x NIBD/EBITDA
- Cash flow is on track with expectations

## Share buyback and dividend

- New share buyback programme of DKK 500 million according to safe harbour method launched 30 April 2015 and running until 23 July 2015
- 1.2 million shares bought back in Q1 2015 at an average price of DKK 206.6 per share
- The purpose of the share buyback is to meet the exercise of share options under the Group's incentive schemes and adjust the capital structure
- 2 million treasury shares were cancelled after the AGM, and the share capital currently amounts to 175 million shares. DSV holds 5.5 million treasury shares as per 30 April 2015.

<b>Announced allocations to shareholders 2015 (DKKm)</b>	<b>Q1 -15</b>	<b>Q2-15</b>	<b>Q3 -15</b>	<b>Q4 -15</b>	<b>Total</b>
Share buyback - rest of 2014 programme	117	-	-	-	117
Dividend (DKK 1.60 per share)	283	-	-	-	283
Share buyback - 200 million	135	65	-	-	200
Share buyback - 500 million – cash flow will partly be in Q3	-	500	-	-	500
<b>Total announced allocations 2015</b>	<b>535</b>	<b>565</b>	<b>-</b>	<b>-</b>	<b>1,100</b>

## Upcoming events

- ▶ 4 August 2015 Interim Financial Report, H1 2015
- ▶ 2 September 2015 Capital Markets Day at DSV HQ in Hedehusene, Denmark
- ▶ 28 October 2015 Interim Financial Report, Third Quarter 2015

# To attend the teleconference, please dial one of the following phone numbers:

Danish participants

**+ 45 70 22 35 00**

International participants

**+44 (0) 207 572 1187**

US participants

**+1 646 722 4972**



To ask questions press “0” and then “1”



**DSV**

# Appendix

# Outlook for 2015

	2014 actual	2015 outlook	Growth %
Gross profit	10,297	10,500-10,900	1-6%
EBIT before special items	2,624	2,700-2,900	3-11%
Net financial expenses	306	300	
Effective tax rate	26%	25%	
Adjusted free cash flow excl. M&A	1,472	2,000	

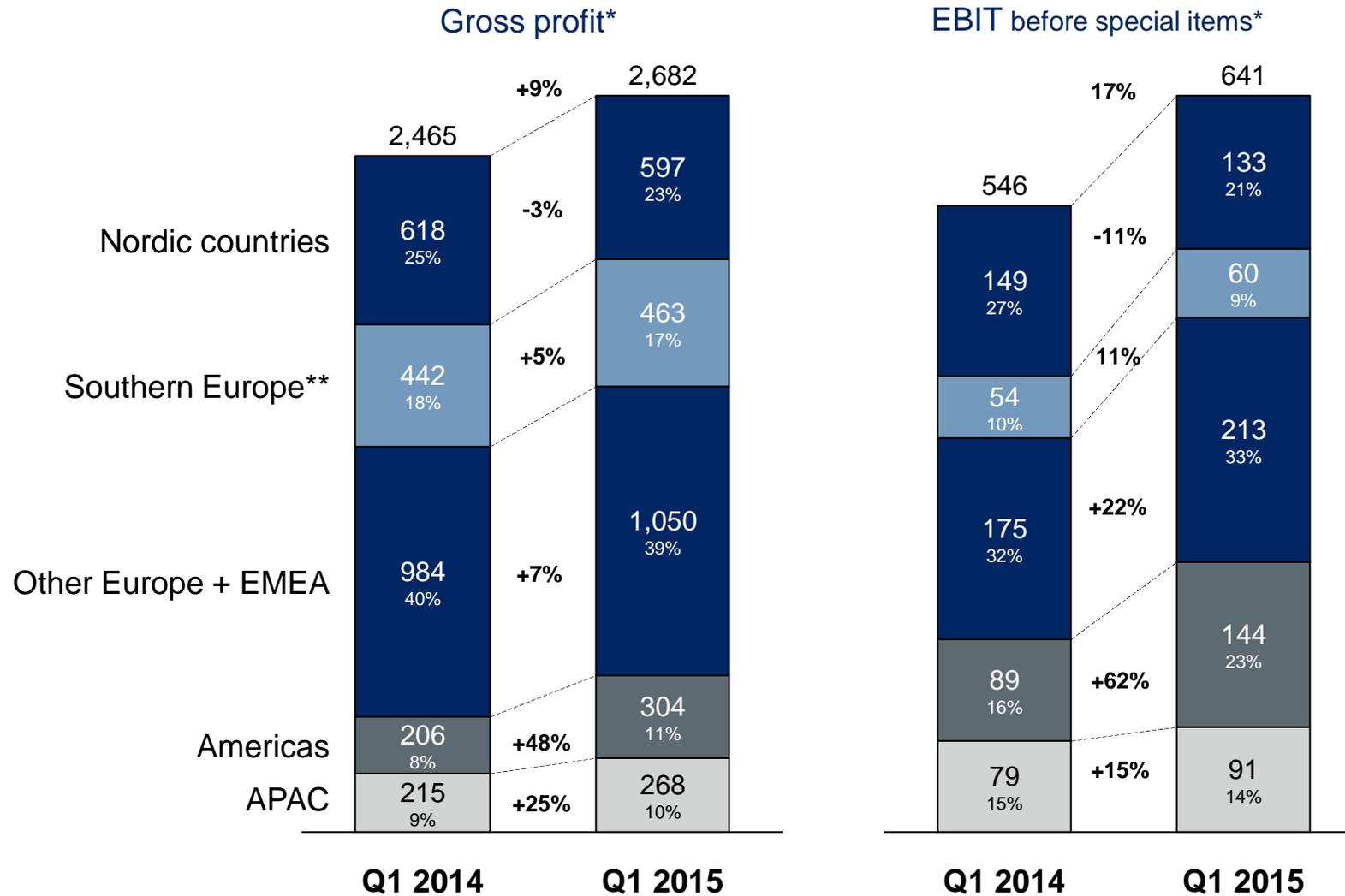
**The financial outlook for 2015 is based on the following assumptions for transport volume growth (%)**

Air (global market)	3-5%	3-5%
Sea (global market)	3-5%	3-5%
Road (European market)	1-2%	1-2%
Solutions (European market)	1-2%	1-2%



We have a target of gaining market share in all Divisions

# Regional development Q1 2015 (DKKm)

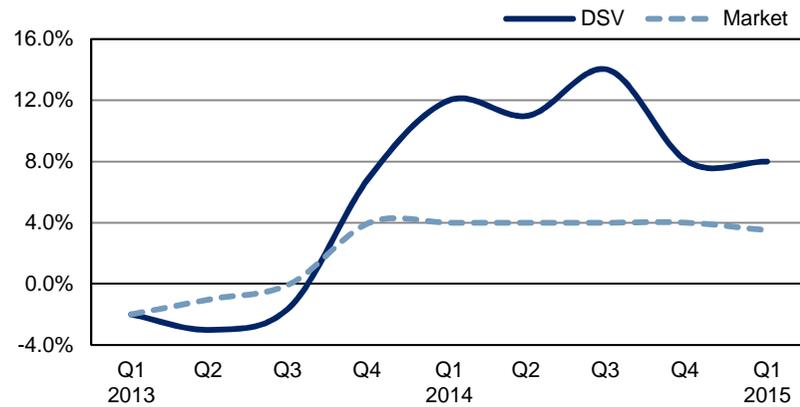


\*) Growth % includes currency effect    \*\*) France, Portugal, Spain, Italy and Greece

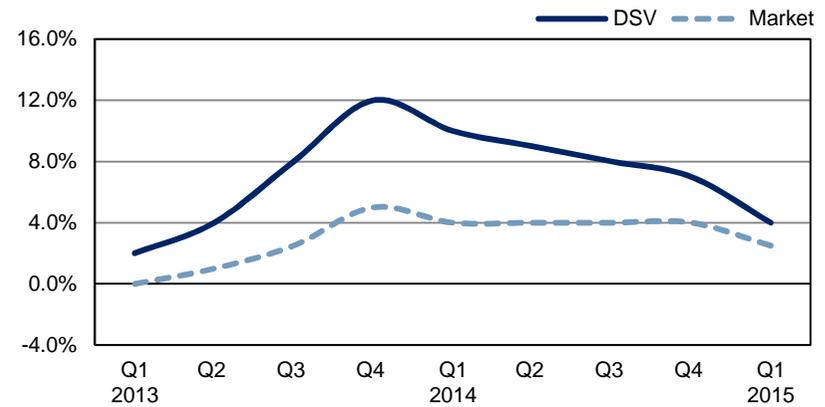
# Market share gains in a competitive market

– DSV freight volumes versus market

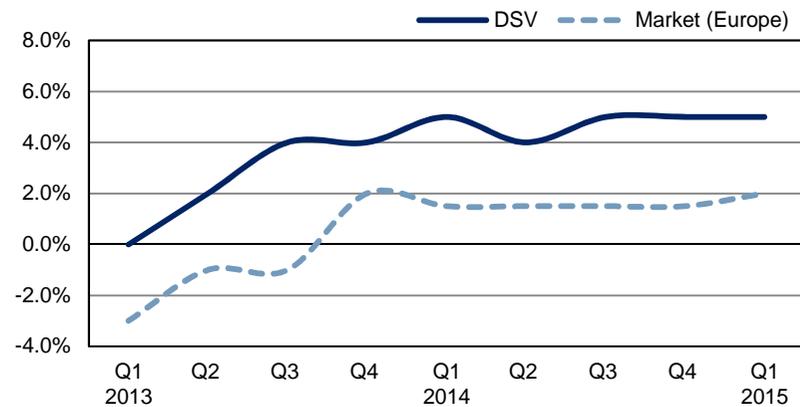
## Air



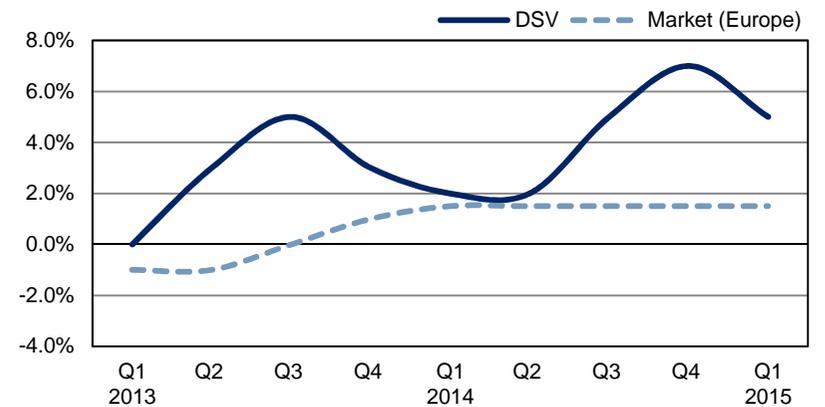
## Sea



## Road



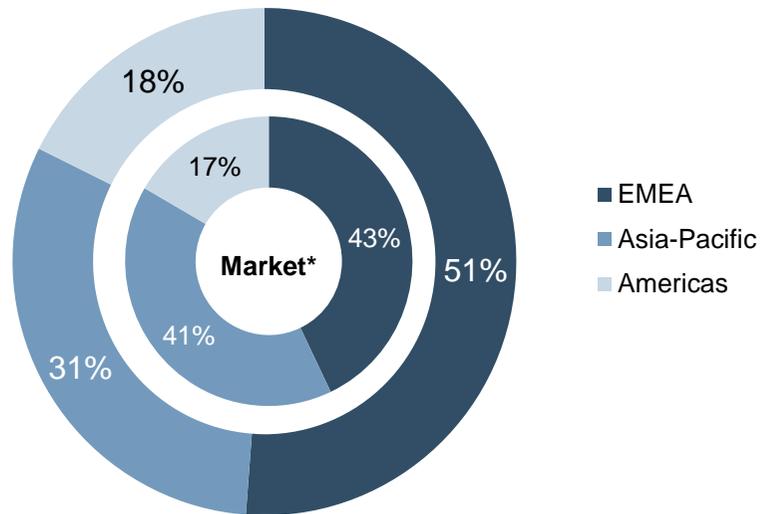
## Solutions



# DSV Air & Sea exposure

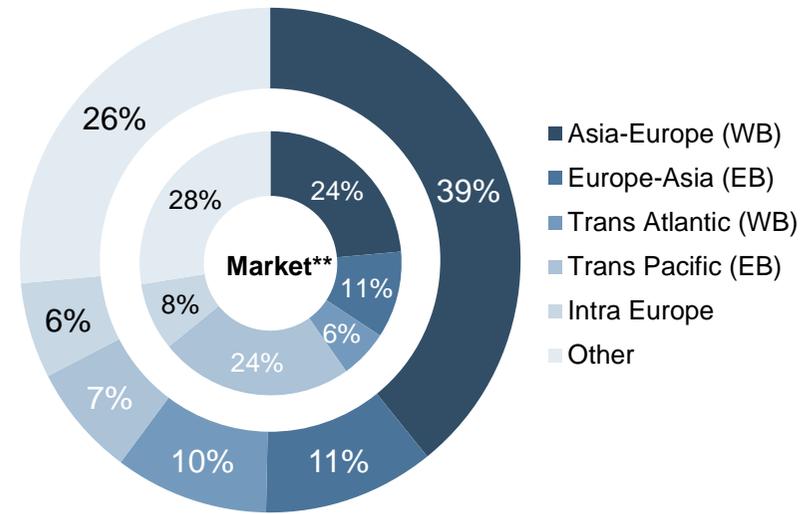
– volume full-year 2014

Air freight by export region



\*Source: International Air Transport Association

Sea freight by trade lane



\*\*Source: Container Trades Statistics

# Quarterly P&L details

## DSV Group

(DKKm)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015
Revenue	10,981	11,406	11,466	11,857	45,710	11,602	12,162	12,279	12,539	48,582	12,601
Direct costs	8,577	8,853	8,944	9,331	35,705	9,137	9,554	9,670	9,924	38,285	9,919
<b>Gross profit</b>	<b>2,404</b>	<b>2,553</b>	<b>2,522</b>	<b>2,526</b>	<b>10,005</b>	<b>2,465</b>	<b>2,608</b>	<b>2,609</b>	<b>2,615</b>	<b>10,297</b>	<b>2,682</b>
Other external expenses	520	504	489	497	2,010	512	497	517	532	2,058	543
Staff costs	1,242	1,245	1,203	1,253	4,943	1,277	1,279	1,236	1,302	5,094	1,370
<b>EBITDA before special items</b>	<b>642</b>	<b>804</b>	<b>830</b>	<b>776</b>	<b>3,052</b>	<b>676</b>	<b>832</b>	<b>856</b>	<b>781</b>	<b>3,145</b>	<b>769</b>
Amortisation and depreciation	133	124	139	104	500	130	131	128	132	521	128
<b>EBIT before special items</b>	<b>509</b>	<b>680</b>	<b>691</b>	<b>672</b>	<b>2,552</b>	<b>546</b>	<b>701</b>	<b>728</b>	<b>649</b>	<b>2,624</b>	<b>641</b>
Net special items, costs	2	23	42	62	129	300	0	0	4	304	0
Net financial expenses	69	81	79	69	298	85	75	75	71	306	72
<b>Profit before tax</b>	<b>438</b>	<b>576</b>	<b>570</b>	<b>541</b>	<b>2,125</b>	<b>161</b>	<b>626</b>	<b>653</b>	<b>574</b>	<b>2,014</b>	<b>569</b>
Tax on profit for the period	117	159	142	136	554	42	162	170	149	523	142
<b>Profit for the period</b>	<b>321</b>	<b>417</b>	<b>428</b>	<b>405</b>	<b>1,571</b>	<b>119</b>	<b>464</b>	<b>483</b>	<b>425</b>	<b>1,491</b>	<b>427</b>
<i>Gross margin (%)</i>	21.9	22.4	22.0	21.3	21.9	21.2	21.4	21.2	20.9	21.2	21.3
<i>Profit margin (%)</i>	4.6	6.0	6.0	5.7	5.6	4.7	5.8	5.9	5.2	5.4	5.1
<i>Conversion ratio (%)</i>	21.2	26.6	27.4	26.6	25.5	22.2	26.9	27.9	24.8	25.5	23.9
<i>Tax percentage</i>	26.7	27.6	24.9	25.1	26.1	26.1	25.9	26.0	26.0	26.0	25.0
<i>Blue-collar costs (included in direct costs)</i>	555	556	538	580	2,229	565	577	574	605	2,321	568
Number of full-time employees	21,650	21,812	22,302	22,021	22,021	22,133	22,254	22,955	22,874	22,874	22,599

# Quarterly P&L details

## Air & Sea

(DKKm)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015
Revenue	4,726	5,000	5,171	5,298	20,195	5,024	5,485	5,672	5,820	22,001	5,421
Direct costs	3,732	3,910	4,074	4,181	15,897	3,970	4,335	4,487	4,633	17,425	4,195
<b>Gross profit</b>	<b>994</b>	<b>1,090</b>	<b>1,097</b>	<b>1,117</b>	<b>4,298</b>	<b>1,054</b>	<b>1,150</b>	<b>1,185</b>	<b>1,187</b>	<b>4,576</b>	<b>1,226</b>
Other external expenses	232	234	222	229	917	236	234	250	251	971	264
Staff costs	460	479	466	478	1,883	481	491	474	511	1,957	545
<b>EBITDA before special items</b>	<b>302</b>	<b>377</b>	<b>409</b>	<b>410</b>	<b>1,498</b>	<b>337</b>	<b>425</b>	<b>461</b>	<b>425</b>	<b>1,648</b>	<b>417</b>
Amortisation and depreciation	26	26	26	27	105	27	27	26	26	106	29
<b>EBIT before special items</b>	<b>276</b>	<b>351</b>	<b>383</b>	<b>382</b>	<b>1,392</b>	<b>310</b>	<b>398</b>	<b>435</b>	<b>399</b>	<b>1,542</b>	<b>388</b>
<i>Gross margin (%)</i>	<i>21.0</i>	<i>21.8</i>	<i>21.2</i>	<i>21.1</i>	<i>21.3</i>	<i>21.0</i>	<i>21.0</i>	<i>20.9</i>	<i>20.4</i>	<i>20.8</i>	<i>22.6</i>
<i>Profit margin (%)</i>	<i>5.8</i>	<i>7.0</i>	<i>7.4</i>	<i>7.2</i>	<i>6.9</i>	<i>6.2</i>	<i>7.3</i>	<i>7.7</i>	<i>6.9</i>	<i>7.0</i>	<i>7.2</i>
<i>Conversion ratio (%)</i>	<i>27.8</i>	<i>32.2</i>	<i>34.9</i>	<i>34.3</i>	<i>32.4</i>	<i>29.4</i>	<i>34.6</i>	<i>36.7</i>	<i>33.6</i>	<i>33.7</i>	<i>31.6</i>
Number of full-time employees	6,049	6,140	6,374	6,310	6,310	6,285	6,352	6,654	6,761	6,761	6,796

## Road

(DKKm)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015
Revenue	5,666	5,800	5,686	5,964	23,117	6,024	6,102	5,984	6,059	24,169	6,122
Direct costs	4,609	4,688	4,614	4,906	18,818	4,945	4,986	4,923	5,002	19,856	4,990
<b>Gross profit</b>	<b>1,057</b>	<b>1,112</b>	<b>1,072</b>	<b>1,058</b>	<b>4,299</b>	<b>1,079</b>	<b>1,116</b>	<b>1,061</b>	<b>1,057</b>	<b>4,313</b>	<b>1,132</b>
Other external expenses	244	239	246	246	975	254	253	253	265	1,025	274
Staff costs	579	574	544	587	2,284	593	589	553	584	2,319	606
<b>EBITDA before special items</b>	<b>234</b>	<b>299</b>	<b>282</b>	<b>225</b>	<b>1,040</b>	<b>232</b>	<b>274</b>	<b>255</b>	<b>208</b>	<b>969</b>	<b>252</b>
Amortisation and depreciation	32	30	36	0	98	33	32	33	34	132	32
<b>EBIT before special items</b>	<b>202</b>	<b>269</b>	<b>246</b>	<b>225</b>	<b>942</b>	<b>199</b>	<b>242</b>	<b>222</b>	<b>174</b>	<b>837</b>	<b>220</b>
<i>Gross margin (%)</i>	<i>18.7</i>	<i>19.2</i>	<i>18.9</i>	<i>17.7</i>	<i>18.6</i>	<i>17.9</i>	<i>18.3</i>	<i>17.7</i>	<i>17.4</i>	<i>17.8</i>	<i>18.5</i>
<i>Profit margin (%)</i>	<i>3.6</i>	<i>4.6</i>	<i>4.3</i>	<i>3.8</i>	<i>4.1</i>	<i>3.3</i>	<i>4.0</i>	<i>3.7</i>	<i>2.9</i>	<i>3.5</i>	<i>3.6</i>
<i>Conversion ratio (%)</i>	<i>19.1</i>	<i>24.2</i>	<i>22.9</i>	<i>21.3</i>	<i>21.9</i>	<i>18.4</i>	<i>21.7</i>	<i>20.9</i>	<i>16.5</i>	<i>19.4</i>	<i>19.4</i>
Number of full-time employees	9,220	9,251	9,433	9,372	9,372	9,457	9,313	9,389	9,292	9,292	9,206

# Quarterly P&L details

## Solutions

(DKKm)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015
Revenue	1,344	1,372	1,374	1,380	5,470	1,345	1,400	1,441	1,543	5,729	1,440
Direct costs	996	1,012	1,018	1,035	4,061	1,015	1,054	1,091	1,173	4,333	1,110
<b>Gross profit</b>	<b>348</b>	<b>360</b>	<b>356</b>	<b>345</b>	<b>1,409</b>	<b>330</b>	<b>346</b>	<b>350</b>	<b>370</b>	<b>1,396</b>	<b>330</b>
Other external expenses	119	110	108	107	444	105	100	106	109	420	125
Staff costs	141	138	132	130	541	140	140	133	127	540	133
<b>EBITDA before special items</b>	<b>88</b>	<b>112</b>	<b>116</b>	<b>108</b>	<b>424</b>	<b>85</b>	<b>106</b>	<b>111</b>	<b>134</b>	<b>436</b>	<b>72</b>
Amortisation and depreciation	43	36	45	44	168	39	39	40	44	162	36
<b>EBIT before special items</b>	<b>45</b>	<b>76</b>	<b>71</b>	<b>64</b>	<b>256</b>	<b>46</b>	<b>67</b>	<b>71</b>	<b>90</b>	<b>274</b>	<b>36</b>
<i>Gross margin (%)</i>	25.9	26.2	25.9	25.0	25.8	24.5	24.7	24.3	24.0	24.4	22.9
<i>Profit margin (%)</i>	3.3	5.5	5.2	4.6	4.7	3.4	4.8	4.9	5.8	4.8	2.5
<i>Conversion ratio (%)</i>	12.9	21.1	19.9	18.6	18.2	13.9	19.4	20.3	24.3	19.6	10.9
Number of full-time employees	5,916	5,937	6,009	5,838	5,838	5,830	5,973	6,246	6,110	6,110	5,690

# Investor contact information

## Share information



DSV shares are listed on the stock exchange in Copenhagen under the symbol 'DSV'.  
For further company information, please visit DSV's website at: [www.dsv.com](http://www.dsv.com)

## Financial calendar 2015



- |             |  |
|-------------|--|
| 4 Aug 2015  | Interim Financial Report, H1 Quarter 2015            |
| 2 Sep 2015  | Capital Markets Day at DSV HQ in Hedehusene, Denmark |
| 28 Oct 2015 | Interim Financial Report, Third Quarter 2015         |

## Investor Relations contacts



DSV A/S  
Investor Relations  
Hovedgaden 630, 2640 Hedehusene, Denmark

[investor@dsv.com](mailto:investor@dsv.com)

Flemming Ole Nielsen      +45 4320 3392

[flemming.o.nielsen@dsv.com](mailto:flemming.o.nielsen@dsv.com)

Ronni Funch Olsen      +45 4320 3193

[ronni.f.olsen@dsv.com](mailto:ronni.f.olsen@dsv.com)

Helle K. Hansen      +45 4320 3358

[helle.k.hansen@dsv.com](mailto:helle.k.hansen@dsv.com)