



HALF-YEAR 2016 RESULTS

Conference call – 5 August 2016, 11.00 a.m. CET

Presentation available at investor.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 developments and results to differ materially from the expectations contained in the presentation.

Agenda

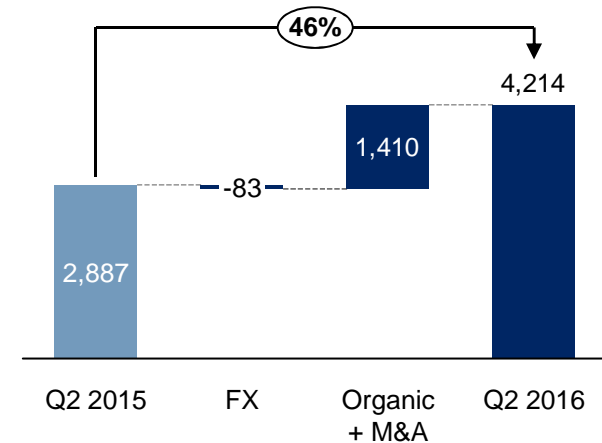
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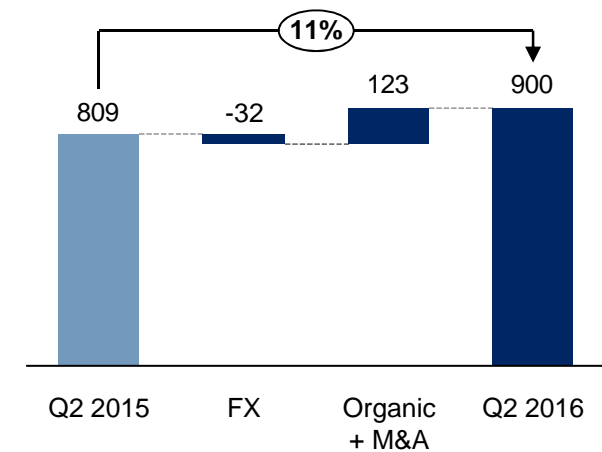
Highlights Q2 2016

- Integration of UTi is ahead of plan
- Gross profit increased 46% to DKK 4,214 million
- EBIT before special items increased 11% to DKK 900 million
- Financial gearing ratio at 2.3x (NIBD/EBITDA)
- Financial outlook for 2016 adjusted:
 - Full-year EBIT before special items of DKK 3,300-3,500 million (from 3,100-3,500)
 - 40% of UTi synergies now expected in 2016
 - Estimated currency headwind of DKK 100 million for FY16 on EBIT level

Gross profit (DKKm)



EBIT before special items (DKKm)



Integration update

– ahead of plan

Commercial

- Successfully protected volume
- Rebranding to DSV progressing as planned – e.g. the former UTi strongholds in South Africa and Israel are now fully rebranded to DSV

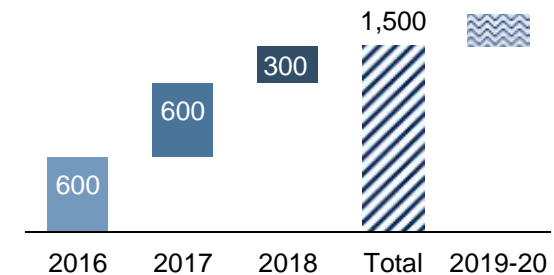
Synergies

- Synergy target of DKK 1.5 billion annually is maintained, but 40% of synergies are now expected in 2016
- More than 60% of offices merged
- More than 60% of users and volume migrated to CargoWise One

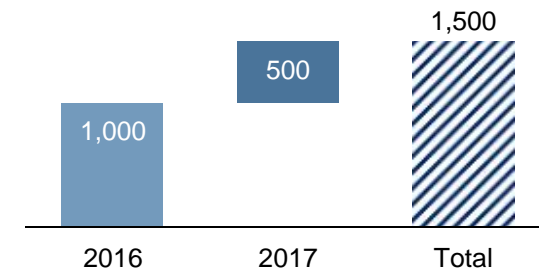
Restructuring costs

- Total estimate of DKK 1.5 billion maintained
- 2/3 of these are expected in 2016

Timeline - expected P&L impact of synergies (DKKm)



Timeline – P&L impact of expected restructuring costs (DKKm)

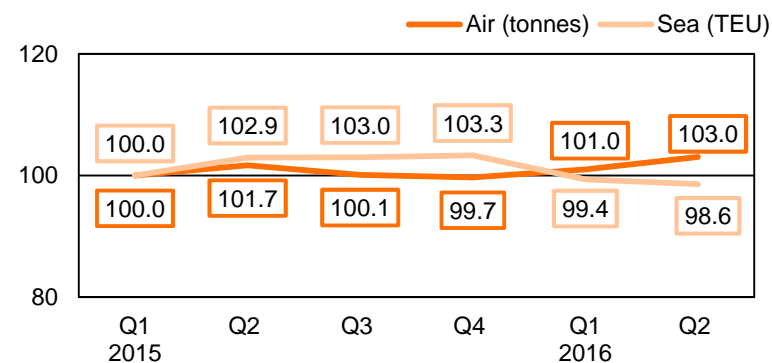




Business segments Q2 2016 – Air & Sea

Highlights

- Strong performance in low-growth markets
- Volume growth driven by UTi
 - +97% air volume in Q2
 - +57% sea volume in Q2
- Stable GP per unit
- 11% EBIT growth in Q2 (excl. FX)

Development in GP per tonne/TEU



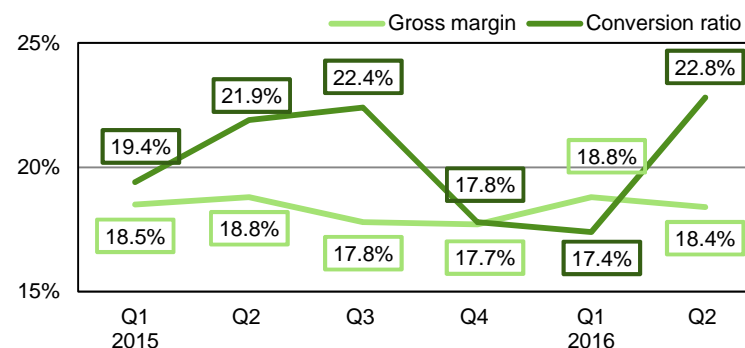
DKK million	Q2				H1			
	2016	2015	Var.	Fx	2016	2015	Var.	Fx
Net revenue	8,416	5,703	47.6%	-3.7%	15,471	11,124	39.1%	-2.9%
Gross profit	2,308	1,352	70.7%	-4.5%	4,185	2,578	62.3%	-3.5%
EBIT bef. special items	534	502	6.4%	-5.0%	948	890	6.5%	-3.6%
Operating margin	6.3%	8.8%			6.1%	8.0%		
Conversion ratio	23.1%	37.1%			22.7%	34.5%		
 Sea, gross profit	1,191	791	50.6%		2,180	1,504	44.9%	
TEU	345,808	220,023	57.2%	2%	630,917	424,079	48.8%	2%
GP/TEU, DKK	3,443	3,595	-4.2%		3,456	3,547	-2.6%	
 Air, gross profit	1,117	561	99.1%		2,005	1,074	86.7%	
Tonnes	151,562	77,146	96.5%	2%	274,379	148,895	84.3%	0%
GP/tonne, DKK	7,371	7,273	1.3%		7,307	7,215	1.3%	

Business segments Q2 2016 – Road

Highlights

- Growth driven by UTi and organic growth
- Q2 was positively impacted by higher number of working days
- Continued pressure on pricing offset by higher productivity
- 22% EBIT growth in Q2 (excl. FX)

Development in key financial ratios



DKK million	2016	Q2			2016	H1		
		2015	Var.	Fx		2015	Var.	Fx
Net revenue	7,368	6,298	17.0%	-1.9%	14,056	12,420	13.2%	-1.3%
Gross profit	1,359	1,183	14.9%	-2.0%	2,616	2,315	13.0%	-1.5%
EBIT bef. special items	310	259	19.7%	-1.9%	529	479	10.4%	-1.3%
Gross margin	18.4%	18.8%			18.6%	18.6%		
Operating margin	4.2%	4.1%			3.8%	3.9%		
Conversion ratio	22.8%	21.9%		Market growth (est.)	20.2%	20.7%		Market growth (est.)
Consignments, growth (ex. UTi)	6%			2-3%	5%			2-3%

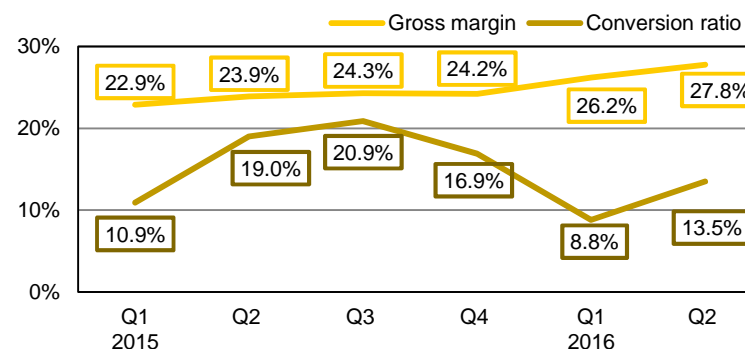


Business segments Q2 2016 – Solutions

Highlights

- Growth driven by UTi and organic growth
- Strong operational performance in Q2
- Positive contribution from operations outside Europe
- 34% EBIT growth in Q2 (excl. FX)

Development in key financial ratios



DKK million	2016	Q2			2016	H1		
		2015	Var.	Fx		2015	Var.	Fx
Net revenue	2,406	1,500	60.4%	-2.5%	4,449	2,940	51.3%	-1.8%
Gross profit	669	358	86.9%	-1.7%	1,205	688	75.1%	-1.3%
EBIT bef. special items	90	68	32.4%	-1.5%	137	104	31.7%	-1.0%
Gross margin	27.8%	23.9%			27.1%	23.4%		
Operating margin	3.7%	4.5%			3.1%	3.5%		
Conversion ratio	13.5%	19.0%			11.4%	15.1%		



Financial review Q2 and H1 2016 – P&L

(DKKm)	Q2		Growth		H1		Growth	
	2016	2015	Var.	Fx	2016	2015	Var.	Fx
Net revenue	17,606	13,127	34.1%	-2.6%	32,925	25,728	28.0%	-2.0%
Gross profit	4,214	2,887	46.0%	-2.9%	7,821	5,569	40.4%	-2.1%
Other external costs	877	550	59.5%		1,667	1,093	52.5%	
Staff costs, white-collar	2,228	1,398	59.4%		4,225	2,768	52.6%	
EBITDA	1,109	939	18.1%		1,929	1,708	12.9%	
Amortisation and depreciation	209	130	60.8%		386	258	49.6%	
EBIT before special items	900	809	11.2%	-4.0%	1,543	1,450	6.4%	-2.7%
Special items, costs	341	0			711	0		
Net financial costs	104	99			58	171		
Profit before tax	455	710	-35.9%		774	1,279	-39.5%	
Tax on profit for the period	122	177	-31.1%		208	319	-34.8%	
Profit for the period	333	533	-37.5%		566	960	-41.0%	
Key Performance Indicators								
Gross margin (%)	23.9	22.0			23.8	21.6		
Operating margin (%)	5.1	6.2			4.7	5.6		
Conversion ratio (%)	21.4	28.0			19.7	26.0		
Effective tax rate (%)	26.8	24.9			26.9	24.9		
Employees, end of quarter	43,593	22,467			43,593	22,467		
Diluted adjusted EPS for the period	3.27	3.27			6.11	5.93		

- UTi was only included with approx. 2 months in Q1, but had full impact in Q2
- Net revenue continues to be impacted by lower average freight rates and fuel prices
- Operating margin and conversion ratio diluted by integration – partly offset by synergies in Q2 16
- We expect margins to return to pre UTi levels during the next 3 years
- Financial items in Q2 16 were in line with expectations
- Full-year effective tax rate expected in the level of 25%

Financial review H1 2016 – cash flow and debt

(DKKm)	H1 2016	H1 2015
EBITDA	1,929	1,708
Change in net working capital	-359	22
Provisions	-136	-145
Special items	-265	0
Corporation tax paid and other adjustments	-517	-503
Cash flow from operating activities	652	1,082
Cash flow from investing activities	-4,741	110
Free cash flow	-4,089	1,192
Adjusted free cash flow (excl. M&A)	756	1,192
Highlights		
<i>NWC in % of revenue</i>	2.0%	1.1%
<i>Net interest-bearing debt (NIBD)</i>	8,750	5,313
<i>Financial gearing (NIBD/EBITDA)</i>	2.3	1.6
<i>Average duration, long-term loan commitments (years)</i>	3.3	4.7
<i>Intangible assets</i>	16,859	8,969
<i>Invested capital</i>	21,590	11,668
<i>ROIC before tax</i>	18.9	23.9

- Cash flow from operating activities is significantly impacted by the integration of UTi, both related to net working capital and integration costs (special items)
- Adjusted free cash flow of DKK 756 million in H1 2016 against DKK 1,192 million last year
- NWC at 2.0% of net revenue – we maintain focus on optimising NWC in UTi
- Financial gearing at 2.3x, steadily moving towards target range

Outlook for 2016

– adjusted as per 5 August 2016

(DKKm)	2015 actual	2016 previous	2016 adjusted
EBIT before special items	3,050	3,100-3,500	3,300-3,500
Net financial expenses (excluding foreign exchange adjustments)	303	450	450
Effective tax rate	24%	25%	25%

- The adjusted range for EBIT before special items should be seen in the light of
 - Faster than expected realisation of integration synergies. We now estimate that 40% of DKK 1.5 billion will be realised in 2016, against previously 30%
 - Currency translation is expected to represent a headwind of approx. DKK 100 million
- The outlook for 2016 is based on the assumption of a stable development in the markets in which the Group operates. We assume that the growth rates in the transport markets will be in line with the underlying economic growth
- Integration costs of approx. DKK 1,500 million are expected in connection with the integration of UTi. P&L impact is expected in 2016 and 2017.

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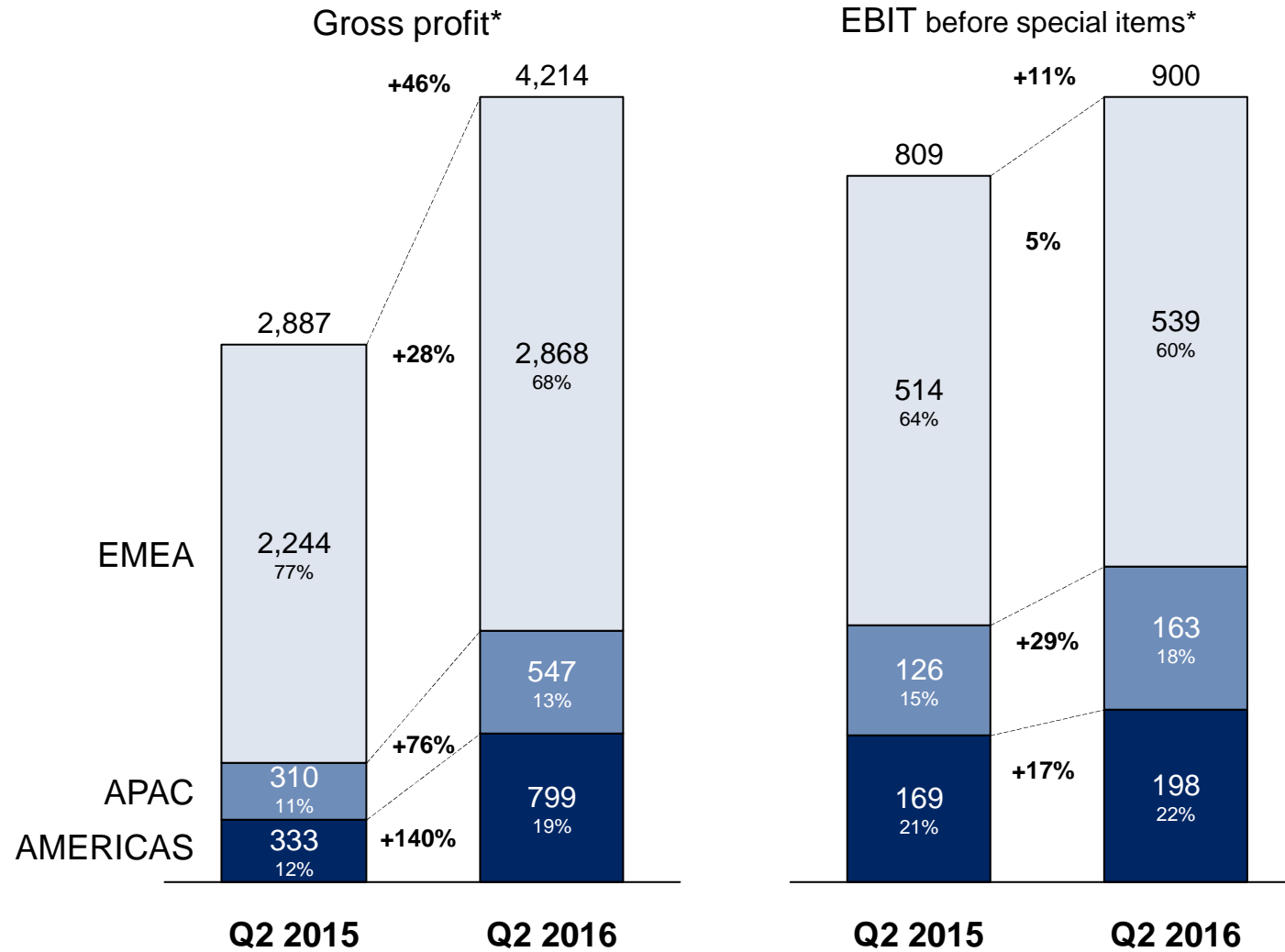




Appendix

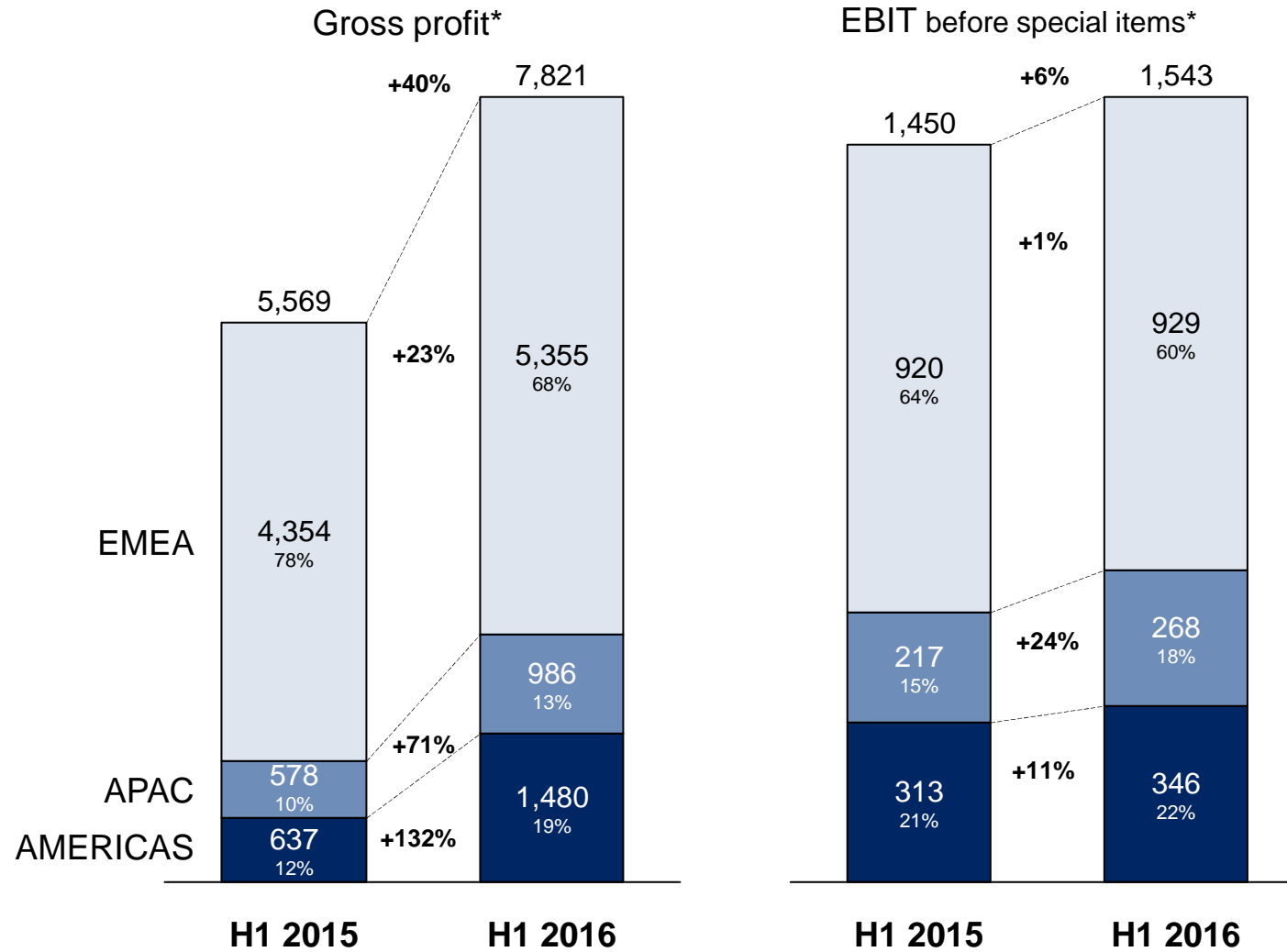


Regional development Q2 2016 (DKKm)



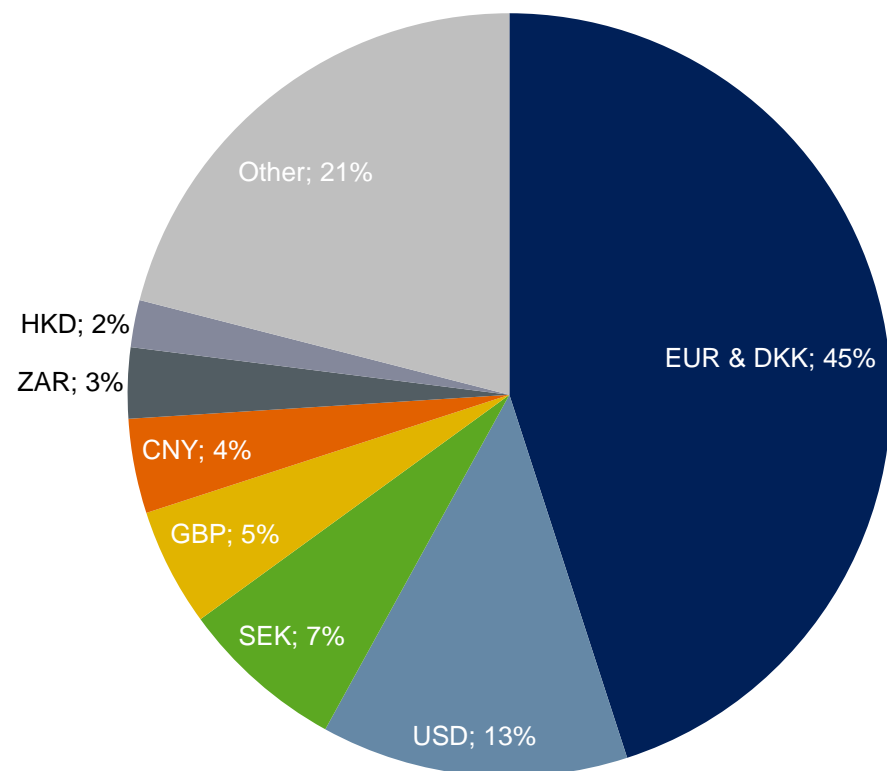
*) Growth % includes effect of M&A and currency

Regional development H1 2016 (DKKm)



*) Growth % includes effect of M&A and currency

Currency exposure – net revenue H1 2016

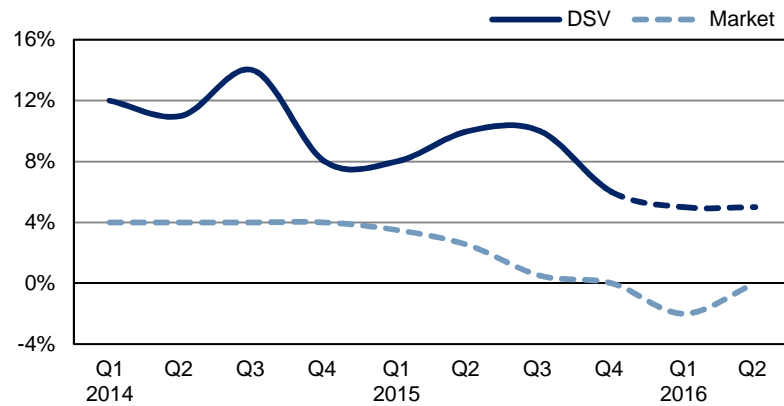


- Currency risk is mainly related to translation of earnings into DKK
- The Group has limited transaction risk due to the business model where both income and expenses in the subsidiaries are mainly denominated in local currency
- Risk related to Brexit (GBP) is limited to 5% of Group net revenue and EBIT
- The Group's external funding is mainly in DKK and EUR
- For further details, please refer to the 2015 Group Annual Report, page 67

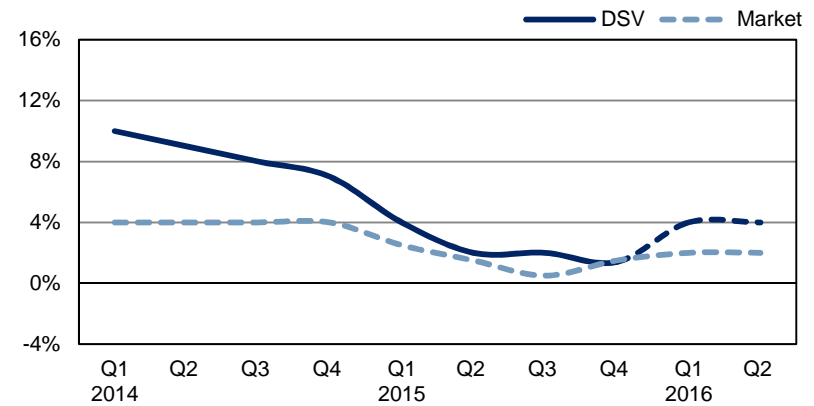
Market share gains in a competitive market

– DSV’s organic growth in freight volumes versus market

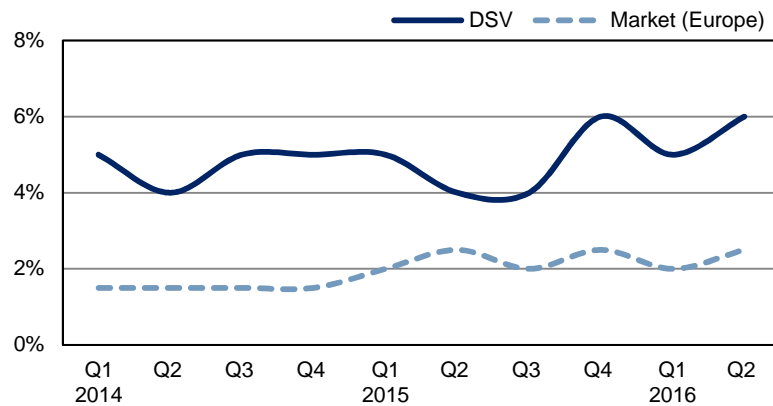
Air



Sea



Road



Note: In the first half year of 2016 the Air & Sea division achieved 84% and 49% growth in air and sea volumes, respectively. This growth is mainly related to the integration of UTi, but it is management’s assessment that the original DSV continued the positive trend of above-market growth rates, in line with past years.

Quarterly P&L details

DSV

(DKKm)	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016
Revenue	48,582	12,601	13,127	12,535	12,606	50,869	15,319	17,606
Direct costs	38,285	9,919	10,240	9,733	9,776	39,668	11,712	13,392
Gross profit	10,297	2,682	2,887	2,802	2,830	11,201	3,607	4,214
Other external expenses	2,058	543	550	505	551	2,149	790	877
Staff costs	5,094	1,370	1,398	1,319	1,390	5,477	1,997	2,228
EBITDA before special items	3,145	769	939	978	889	3,575	820	1,109
Amortisation and depreciation	521	128	130	127	140	525	177	209
EBIT before special items	2,624	641	809	851	749	3,050	643	900
Special Items, net costs	304	0	0	0	58	58	370	341
Financial costs, net costs	306	72	99	78	54	303	-46	104
Profit before tax	2,014	569	710	773	637	2,689	319	455
Tax on profit for the period	523	142	177	195	117	631	86	122
Profit for the period	1,491	427	533	578	520	2,058	233	333
<i>Gross margin (%)</i>	21.2	21.3	22.0	22.4	22.4	22.0	23.5	23.9
<i>Operating margin (%)</i>	5.4	5.1	6.2	6.8	5.9	6.0	4.2	5.1
<i>Conversion ratio (%)</i>	25.5	23.9	28.0	30.4	26.5	27.2	17.8	21.4
<i>Tax percentage</i>	26.0	25.0	24.9	25.2	18.4	23.5	27.0	26.8
<i>Blue-collar costs (included in direct costs)</i>	2,321	568	558	554	619	2,299	812	993
Number of full-time employees	22,874	22,599	22,467	22,773	22,783	22,783	44,334	43,593

Quarterly P&L details

Air & Sea

(DKKm)	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016
Revenue	22,001	5,421	5,703	5,379	5,182	21,685	7,055	8,416
Direct costs	17,425	4,195	4,351	4,012	3,836	16,394	5,178	6,108
Gross profit	4,576	1,226	1,352	1,367	1,346	5,291	1,877	2,308
Other external expenses	971	264	257	258	266	1,045	479	640
Staff costs	1,957	545	565	544	561	2,215	937	1,078
EBITDA before special items	1,648	417	530	565	519	2,031	461	590
Amortisation and depreciation	106	29	28	24	27	108	47	56
EBIT before special items	1,542	388	502	541	492	1,923	414	534
<i>Gross margin (%)</i>	20.8	22.6	23.7	25.4	26.0	24.4	26.6	27.4
<i>Operating margin (%)</i>	7.0	7.2	8.8	10.1	9.5	8.9	5.9	6.3
<i>Conversion ratio (%)</i>	33.7	31.6	37.1	39.6	36.6	36.3	22.1	23.1
Number of full-time employees	6,761	6,796	6,804	6,790	6,754	6,754	16,686	15,016

Road

(DKKm)	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016
Revenue	24,169	6,122	6,298	6,044	6,254	24,718	6,688	7,368
Direct costs	19,856	4,990	5,115	4,966	5,150	20,221	5,431	6,009
Gross profit	4,313	1,132	1,183	1,078	1,104	4,497	1,257	1,359
Other external expenses	1,025	274	273	238	264	1,049	332	314
Staff costs	2,319	606	619	568	611	2,404	670	691
EBITDA before special items	969	252	291	272	229	1,044	255	354
Amortisation and depreciation	132	32	32	30	32	126	36	44
EBIT before special items	837	220	259	242	197	918	219	310
<i>Gross margin (%)</i>	17.8	18.5	18.8	17.8	17.7	18.2	18.8	18.4
<i>Operating margin (%)</i>	3.5	3.6	4.1	4.0	3.1	3.7	3.3	4.2
<i>Conversion ratio, (%)</i>	19.4	19.4	21.9	22.4	17.8	20.4	17.4	22.8
Number of full-time employees	9,292	9,206	9,167	9,251	9,280	9,280	11,581	11,931

Quarterly P&L details

Solutions

(DKKm)	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016
Revenue	5,729	1,440	1,500	1,476	1,544	5,960	2,043	2,406
Direct costs	4,333	1,110	1,142	1,117	1,171	4,540	1,507	1,737
Gross profit	1,396	330	358	359	373	1,420	536	669
Other external expenses	420	125	117	113	131	486	165	192
Staff costs	540	133	136	132	139	540	273	322
EBITDA before special items	436	72	105	114	103	394	98	155
Amortisation and depreciation	162	36	37	39	40	152	51	65
EBIT before special items	274	36	68	75	63	242	47	90
<i>Gross margin (%)</i>	24.4	22.9	23.9	24.3	24.2	23.8	26.2	27.8
<i>Operating margin (%)</i>	4.8	2.5	4.5	5.1	4.1	4.1	2.3	3.7
<i>Conversion ratio (%)</i>	19.6	10.9	19.0	20.9	16.9	17.0	8.8	13.5
Number of full-time employees	6,110	5,690	5,650	5,844	5,821	5,821	15,057	14,598

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

Financial calendar 2016



1 Nov 2016 Interim Financial Report, Third Quarter 2016

Investor Relations contacts



DSV A/S
Hovedgaden 630, 2640 Hedehusene, Denmark

investor@dsv.com

Flemming Ole Nielsen +45 4320 3392

flemming.o.nielsen@dsv.com

Ronni Funch Olsen +45 4320 3193

ronni.f.olsen@dsv.com

Helle K. Hansen +45 4320 3358

helle.k.hansen@dsv.com