



FULL YEAR 2016 RESULTS

Conference call – 10 February 2017, 11.00 am 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.

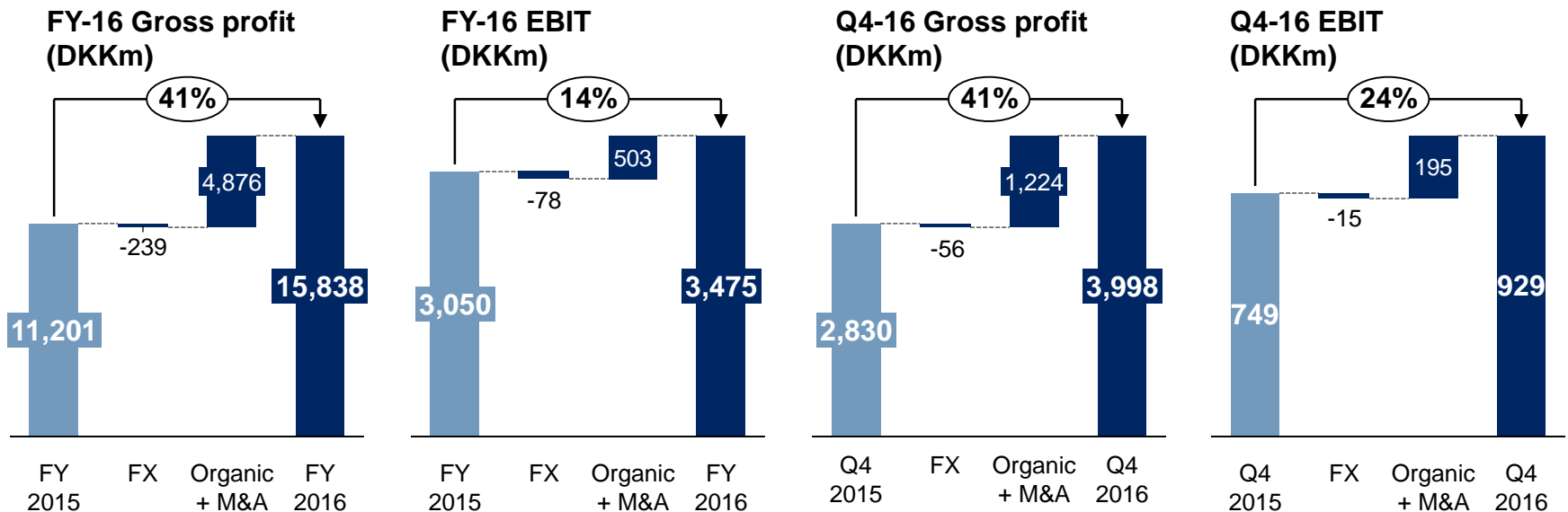
Agenda

- 1 Highlights
- 2 Integration update
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Highlights 2016

- A year of successful integration
- Gross profit increased 41% to DKK 15,838 million
- EBIT before special items increased 14% to DKK 3,475 million
- Financial gearing ratio at 1.95x (NIBD/EBITDA)



Integration update

Commercial

- We have successfully protected core volume and rebranded activities
- Well-positioned to build up pipeline and take market share in 2017

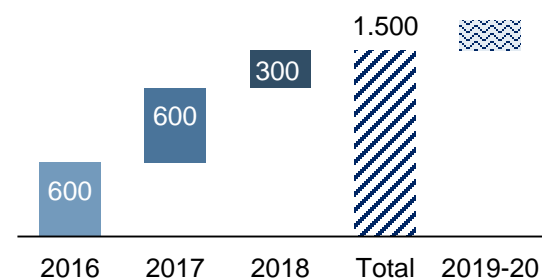
Cost synergies

- Target of DKK 1.5 billion annually is maintained
- Planned office mergers and migration to the DSV Air & Sea platform is completed
- Integration of administrative functions is progressing as planned
- In 2019-2020, we see further opportunities to improve productivity

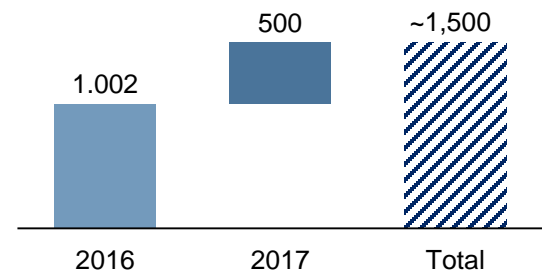
Restructuring costs

- Total estimate of DKK 1.5 billion maintained
- 2/3 realised in 2016 and 1/3 of the costs are expected in 2017

Timeline – expected P&L impact of cost synergies (DKKm)



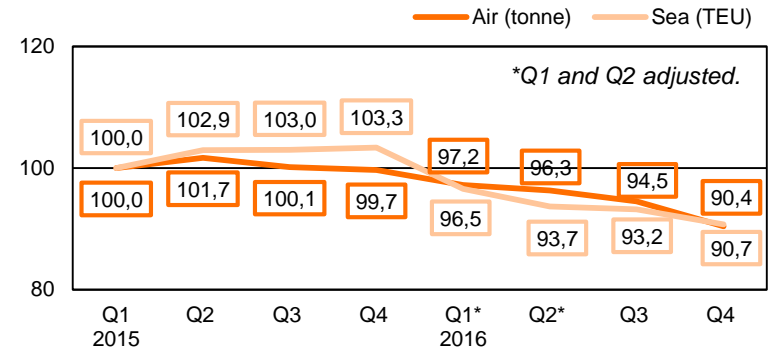
Timeline – P&L impact of expected restructuring costs (DKKm)



Business segments – Air & Sea

- 15.7% growth in EBIT in Q4-16
- Volume growth mainly driven by UTi
- Temporary margin squeeze in Q4-16
 - Sharp increase in freight rates
- Negative run-off in Q4 in connection with the decommissioning of OneView – GP and EBIT negatively impacted

Development in GP per tonne/TEU

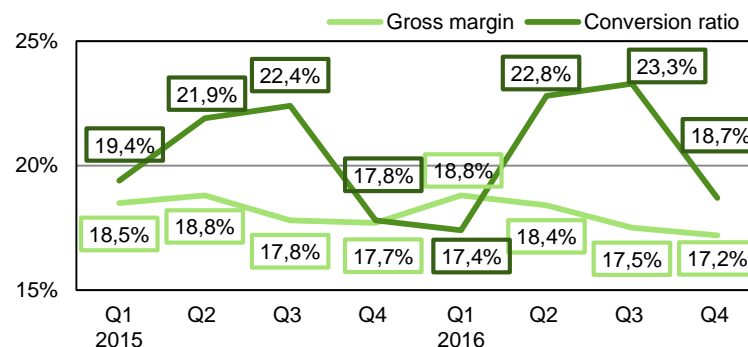


DKK million	Q4				FY			
	2016	2015	Growth details		2016	2015	Growth details	
			Var.	Fx			Var.	Fx
Net revenue	8,347	5,182	61.1%	-1.9%	32,100	21,685	48.0%	-2.6%
Gross profit	2,030	1,346	50.8%	-2.2%	8,338	5,291	57.6%	-3.0%
EBIT before special items	569	492	15.7%	-2.4%	2,143	1,923	11.4%	-3.2%
Operating margin	6.8%	9.5%			6.7%	8.9%		
Conversion ratio	28.0%	36.6%			25.7%	36.3%		
								Market growth (est.)
Sea, gross profit	1,043	760	37.2%		4,347	3,057	42.2%	
TEU	329,214	210,641	56.3%	4-5%	1,305,594	855,319	52.6%	3-4%
GP/TEU, DKK	3,168	3,608	-12.2%		3,329	3,574	-6.9%	
Air, gross profit	987	586	68.4%		3,991	2,234	78.6%	
Tonnes	152,521	82,218	85.5%	7-8%	574,644	311,193	84.7%	3-4%
GP/tonne, DKK	6,471	7,127	-9.2%		6,945	7,179	-3.3%	

Business segments – Road

- 16.8% growth in EBIT in Q4-16
- Revenue growth driven by both UTi and organic growth
- Gross margin negatively affected by product mix
 - Increasing share of domestic distribution
 - Underlying margin is stable
- Activities in US and South Africa have been rebranded and the business structure is now in place

Development in key financial ratios

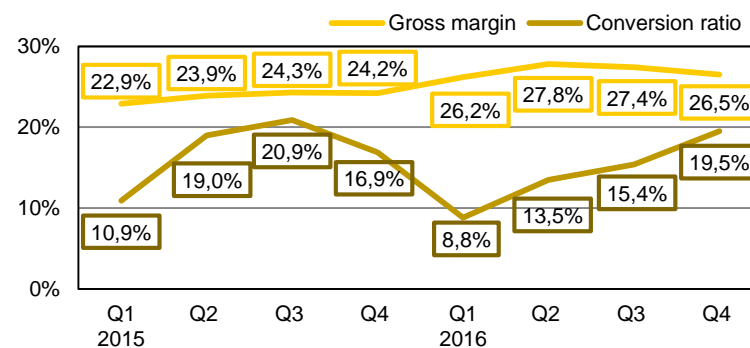


DKK million	2016	Q4			2016	FY		
		2015	Growth details			2015	Growth details	
			Var.	Fx			Var.	Fx
Net revenue	7,156	6,254	14.4%	-2.3%	28,323	24,718	14.6%	-1.7%
Gross profit	1,231	1,104	11.5%	-2.1%	5,094	4,497	13.3%	-1.8%
EBIT bef. special items	230	197	16.8%	-3.0%	1,049	918	14.3%	-2.0%
Gross margin	17.2%	17.7%			18.0%	18.2%		
Operating margin	3.2%	3.1%			3.7%	3.7%		
Conversion ratio	18.7%	17.8%			20.6%	20.4%		
				Market growth (est.)				Market growth (est.)
Consignments, growth (ex. UTi)	5%			2-3%	5%			2-3%

Business segments – Solutions

- EBIT before special items of DKK 142 million in Q4-16
- Revenue growth was mainly driven by UTi
- Strong result on the back of a weak Q4-15
 - Tailwind from seasonality, especially in the UTi business
 - Positive run-off from previous quarters
 - In connection with UTi integration activities have been transferred from Air & Sea

Development in key financial ratios



DKK million	Q4				FY			
	2016	2015	Var.	Fx	2016	2015	Var.	Fx
Net revenue	2,742	1,544	77.6%	-2.8%	9,683	5,960	62.5%	-2.2%
Gross profit	727	373	94.9%	-1.1%	2,616	1,420	84.2%	-1.4%
EBIT bef. special items	142	63	125.4%	4.8%	384	242	58.7%	0.4%
Gross margin	26.5%	24.2%			27.0%	23.8%		
Operating margin	5.2%	4.1%			4.0%	4.1%		
Conversion ratio	19.5%	16.9%			14.7%	17.0%		

Financial review Q4 and FY 2016 – P&L

(DKKm)	Q4	Q4	Growth		FY	FY	Growth	
	2016	2015	Var.	Fx	2016	2015	Var.	Fx
Net revenue	17,617	12,606	39.8%	-2.2%	67,747	50,869	33.2%	-2.1%
Gross profit	3,998	2,830	41.3%	-2.2%	15,838	11,201	41.4%	-2.1%
Other external costs	854	551	55.0%		3,307	2,149	53.9%	
Staff costs, white-collar	2,029	1,390	46.0%		8,281	5,477	51.2%	
EBITDA	1,115	889	25.4%		4,250	3,575	18.9%	
Amortisation and depreciation	186	140	32.9%		775	525	47.6%	
EBIT before special items	929	749	24.0%	-3.2%	3,475	3,050	13.9%	-2.6%
Special items, costs	136	58			1,002	58		
Net financial costs	41	54			184	303		
Profit before tax	752	637	18.1%		2,289	2,689	-14.9%	
Tax on profit for the period	192	117	64.1%		611	631	-3.2%	
Profit for the period	560	520	7.7%		1,678	2,058	-18.5%	
Key Performance Indicators								
Gross margin (%)	22.7	22.4			23.4	22.0		
Operating margin (%)	5.3	5.9			5.1	6.0		
Conversion ratio (%)	23.2	26.5			21.9	27.2		
Effective tax rate (%)	25.5	18.4			26.7	23.5		
Employees, end of quarter	44,779	22,783			44,779	22,783		
<i>Diluted adjusted EPS for the period</i>	3.61	3.37			13.40	12.85		

- Net revenue impacted by lower freight rates in the first nine months – increase in freight rates in Q4
- Conversion ratio was diluted by integration, but improved throughout the year as the integration progressed
- Financial items include extraordinary foreign exchange gains of DKK 115 million
- Effective tax rate for 2016 impacted by integration (normalised level is 25%)

Financial review FY 2016 – cash flow and debt

(DKKm)	FY 2016	FY 2015
EBITDA	4,250	3,575
Change in working capital etc.	-867	758
Change in provisions	-168	-238
Special items	-644	-58
Corporation tax paid and other adjustments	-1,007	-877
Cash flow from operating activities	1,564	3,160
Cash flow from investing activities	-5,244	-431
Free cash flow	-3,680	2,729
Adjusted free cash flow (excl. M&A)	1,838	2,837
Highlights		
<i>NWC in % of revenue</i>	2.2%	0.0%
<i>Net Interest Bearing Debt (NIBD)</i>	8,299	-546
<i>Financial gearing (NIBD/EBITDA)</i>	1.95	-0.15
<i>Average duration, long-term loan commitments (years)</i>	2.9	3.7
<i>Intangible assets</i>	17,247	8,996
<i>Invested capital</i>	21,336	10,977
<i>ROIC before tax</i>	21.5	26.8

- Cash flow from operating activities impacted by the integration of UTi, both related to net working capital and integration costs (special items)
- NWC at 2.2% of net revenue – we maintain focus on optimising NWC
- Adjusted free cash flow of DKK 1,838 million in 2016 against 2,837 million DKK last year
- Financial gearing at 1.95x, steadily moving towards target range (1.0-1.5x)
- Invested capital and ROIC impacted by UTi transaction

Outlook for 2017




(DKKm)	2016 actual	2017 outlook	Growth
EBIT before special items	3,475	4,200-4,500	21-29%
Net financial expenses*	299	300	
Effective tax rate	26.7%	25%	
Adjusted free cash flow excl. M&A **	1,838	3,500	

*Actual 2016 excludes an extraordinary foreign exchange gain of DKK 115 million

** Cash flow guidance for 2017 includes the cash impact of restructuring costs. 2016 excludes the cash impact of restructuring costs

- The outlook for 2017 is based on the assumption of a stable development in the markets in which the Group operates and that currency rates remain at the current level (February 2017)
- The OECD and IMF project global economic growth of just over 3% in 2017. We expect that the growth rates in the transport markets will be in line with the underlying economic growth
- Integration costs of approx. DKK 500 million are expected in connection with the continued integration of UTi in 2017

Financial targets 2020 – reiterated

	Targets	Actual 2016
DSV – total	%	%
Operating margin	7%	5.1%
Conversion ratio	30%	21.9%
ROIC, pre tax	25%	21.5%
Air & Sea 		
Operating margin	7-8%	6.7%
Conversion ratio	35%	25.7%
ROIC, pre tax	25%	23.5%
Road 		
Operating margin	5%	3.7%
Conversion ratio	25%	20.6%
ROIC, pre tax (minimum)	25%	35.8%
Solutions 		
Operating margin	6%	4.0%
Conversion ratio	25%	14.7%
ROIC, pre tax	20%	14.0%

Profit margin = EBIT before special items as % of revenue
Conversion ratio = EBIT before special items as % of gross profit

- The targets set for the DSV Group are unchanged from the latest annual report and based on current IFRS standards
- We expect to achieve the targets in 2020
- The targets are based on the assumption of stable macro-economic development during the period and successful integration of UTi
- DSV aims to gain market share in all relevant markets. Periods of large integrations may have a short-term impact on the organic growth
- Effective tax rate of approx. 25% is expected in the period
- Normalised CAPEX is expected to be around 0.5% of revenue

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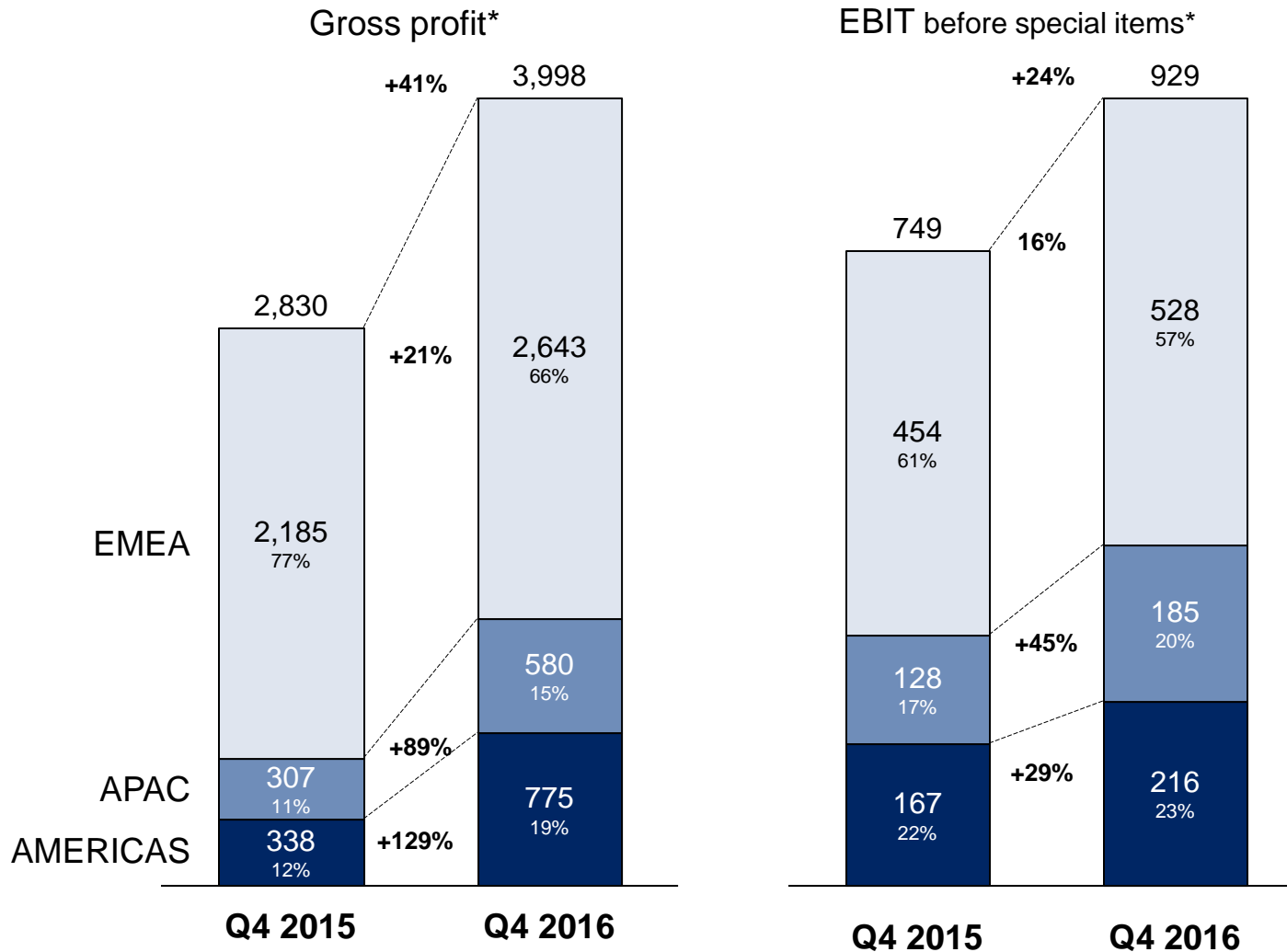


To ask questions press "0" and then "1"



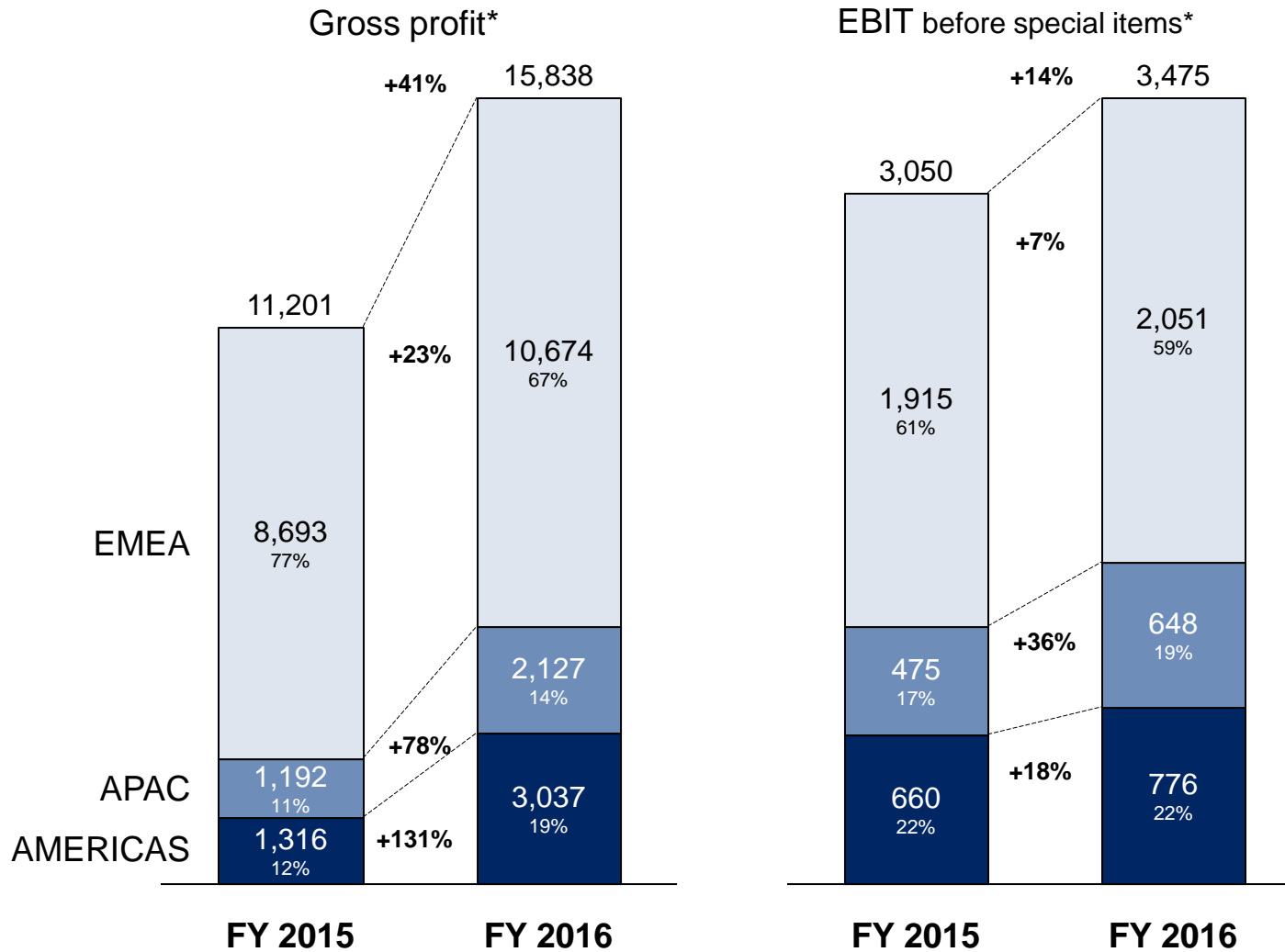
Appendix

Regional development Q4 2016 (DKKm)



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

Regional development FY 2016 (DKKm)



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

Capital structure and capital allocation

Target for financial gearing (net interest-bearing debt/EBITDA)

- Target: around 1.0-1.5 x EBITDA before special items
 - Target has been adjusted to ensure financial flexibility
 - It is our policy that financing costs must be deductible for tax purposes. Over the past years, the possibility of obtaining a tax deduction has been reduced in a number of countries
- Gearing ratio may exceed this level in periods with M&A activity
 - This is the case after the acquisition of UTi Worldwide Inc.

Capital allocation – priority for use of free cash flow

1. Repayment of debt if financial gearing ratio is above target range
2. Value creating acquisitions or further development of the existing business
3. Allocation to shareholders via share buyback and dividend
 - We aim to ensure that dividend develops in line with the consolidated earnings (proposed dividend for 2016: DKK 1.80 per share)



Quarterly P&L details

DSV

(DKKm)	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
Revenue	48,582	12,601	13,127	12,535	12,606	50,869	15,319	17,606	17,205	17,617	67,747
Direct costs	38,285	9,919	10,240	9,733	9,776	39,668	11,712	13,392	13,186	13,619	51,909
Gross profit	10,297	2,682	2,887	2,802	2,830	11,201	3,607	4,214	4,019	3,998	15,838
Other external expenses	2,058	543	550	505	551	2,149	790	877	786	854	3,307
Staff costs	5,094	1,370	1,398	1,319	1,390	5,477	1,997	2,228	2,027	2,029	8,281
EBITDA before special items	3,145	769	939	978	889	3,575	820	1,109	1,206	1,115	4,250
Amortisation and depreciation	521	128	130	127	140	525	177	209	203	186	775
EBIT before special items	2,624	641	809	851	749	3,050	643	900	1,003	929	3,475
Special Items, net costs	304	0	0	0	58	58	370	341	155	136	1,002
Financial costs, net costs	306	72	99	78	54	303	-46	104	85	41	184
Profit before tax	2,014	569	710	773	637	2,689	319	455	763	752	2,289
Tax on profit for the period	523	142	177	195	117	631	86	122	211	192	611
Profit for the period	1,491	427	533	578	520	2,058	233	333	552	560	1,678
<i>Gross margin, %</i>	21.2	21.3	22.0	22.4	22.4	22.0	23.5	23.9	23.4	22.7	23.4
<i>Operating margin, %</i>	5.4	5.1	6.2	6.8	5.9	6.0	4.2	5.1	5.8	5.3	5.1
<i>Conversion ratio, %</i>	25.5	23.9	28.0	30.4	26.5	27.2	17.8	21.4	25.0	23.2	21.9
<i>Tax percentage</i>	26.0	25.0	24.9	25.2	18.4	23.5	27.0	26.8	27.7	25.5	26.7
<i>Blue collar costs (included in direct costs)</i>	2,321	568	558	554	619	2,299	812	993	1,034	1,121	3,960
Number of full-time employees	22,874	22,599	22,467	22,773	22,783	22,783	44,334	43,593	45,395	44,779	44,779

Quarterly P&L details

Air & Sea

(DKKm)	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
Revenue	22,001	5,421	5,703	5,379	5,182	21,685	7,055	8,416	8,282	8,347	32,100
Direct costs	17,425	4,195	4,351	4,012	3,836	16,394	5,178	6,108	6,159	6,317	23,762
Gross profit	4,576	1,226	1,352	1,367	1,346	5,291	1,877	2,308	2,123	2,030	8,338
Other external expenses	971	264	257	258	266	1,045	479	640	550	508	2,177
Staff costs	1,957	545	565	544	561	2,215	937	1,078	898	911	3,824
EBITDA before special items	1,648	417	530	565	519	2,031	461	590	675	611	2,337
Amortisation and depreciation	106	29	28	24	27	108	47	56	49	42	194
EBIT before special items	1,542	388	502	541	492	1,923	414	534	626	569	2,143
<i>Gross margin, %</i>	20.8	22.6	23.7	25.4	26.0	24.4	26.6	27.4	25.6	24.3	26.0
<i>Operating margin, %</i>	7.0	7.2	8.8	10.1	9.5	8.9	5.9	6.3	7.6	6.8	6.7
<i>Conversion ratio, %</i>	33.7	31.6	37.1	39.6	36.6	36.3	22.1	23.1	29.5	28.0	25.7
Number of full-time employees	6,761	6,796	6,804	6,790	6,754	6,754	16,686	15,016	13,799	12,891	12,891

Road

(DKKm)	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
Revenue	24,169	6,122	6,298	6,044	6,254	24,718	6,688	7,368	7,111	7,156	28,323
Direct costs	19,856	4,990	5,115	4,966	5,150	20,221	5,431	6,009	5,864	5,925	23,229
Gross profit	4,313	1,132	1,183	1,078	1,104	4,497	1,257	1,359	1,247	1,231	5,094
Other external expenses	1,025	274	273	238	264	1,049	332	314	304	274	1,224
Staff costs	2,319	606	619	568	611	2,404	670	691	612	689	2,662
EBITDA before special items	969	252	291	272	229	1,044	255	354	331	268	1,208
Amortisation and depreciation	132	32	32	30	32	126	36	44	41	38	159
EBIT before special items	837	220	259	242	197	918	219	310	290	230	1,049
<i>Gross margin, %</i>	17.8	18.5	18.8	17.8	17.7	18.2	18.8	18.4	17.5	17.2	18.0
<i>Operating margin, %</i>	3.5	3.6	4.1	4.0	3.1	3.7	3.3	4.2	4.1	3.2	3.7
<i>Conversion ratio, %</i>	19.4	19.4	21.9	22.4	17.8	20.4	17.4	22.8	23.3	18.7	20.6
Number of full-time employees	9,292	9,206	9,167	9,251	9,280	9,280	11,581	11,931	12,710	12,518	12,518

Quarterly P&L details

Solutions

(DKKm)	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
Revenue	5,729	1,440	1,500	1,476	1,544	5,960	2,043	2,406	2,492	2,742	9,683
Direct costs	4,333	1,110	1,142	1,117	1,171	4,540	1,507	1,737	1,808	2,015	7,067
Gross profit	1,396	330	358	359	373	1,420	536	669	684	727	2,616
Other external expenses	420	125	117	113	131	486	165	192	202	242	801
Staff costs	540	133	136	132	139	540	273	322	311	282	1,188
EBITDA before special items	436	72	105	114	103	394	98	155	171	203	627
Amortisation and depreciation	162	36	37	39	40	152	51	65	66	61	243
EBIT before special items	274	36	68	75	63	242	47	90	105	142	384
<i>Gross margin, %</i>	24.4	22.9	23.9	24.3	24.2	23.8	26.2	27.8	27.4	26.5	27.0
<i>Operating margin, %</i>	4.8	2.5	4.5	5.1	4.1	4.1	2.3	3.7	4.2	5.2	4.0
<i>Conversion ratio, %</i>	19.6	10.9	19.0	20.9	16.9	17.0	8.8	13.5	15.4	19.5	14.7
Number of full-time employees	6,110	5,690	5,650	5,844	5,821	5,821	15,057	14,598	16,854	17,432	17,432

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 2017



- 9 Mar 2017 Annual General Meeting
- 2 May 2017 Interim Financial Report, First Quarter 2017
- 2 Aug. 2017 Interim Financial Report, H1 2017
- 26 Oct. 2017 Interim Financial Report, Third Quarter 2017

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