



# DSV Solutions Division Anton van Beers, Managing Director

DSV Capital Markets Day, 11 May 2010



# General Facts

- One of the leading suppliers of logistics services in Europe
  - 5,497 employees
  - Operations in 17 countries
  - Wide-ranging network throughout Europe
  - 2,200,000 m<sup>2</sup> of warehousing
  - Turnover 2009 5,788 million DKK
  - EBITA 2009 196 million DKK
- (Annual report 2009)



We offer logistics services in the following countries

Belgium  
Denmark  
Finland  
France

Germany  
Ireland  
Italy  
Netherlands

Norway  
Poland  
Romania

Russia  
Spain  
Sweden

Switzerland  
United Kingdom



# DSV Solutions Strategic Approach



# DSV Solutions High-Level Processes

## Primary Activities

### Inbound Logistics

- Inbound freight management
- Purchase order control
- De-consolidation



### Warehouse Management

- Inventory management
- Back-order management
- Order fulfilment



### Value-Added Logistics

- Kitting / assembly / configuration
- Quality management and control
- Sequencing / line feeding
- Reverse logistics
- Repair-return management



### Distribution Management

- Outbound freight management
- Carrier invoice management



# DSV Solutions High-Level Processes Supporting Activities

## CargoWRITE IT Systems

- Inventory visibility
- Order visibility
- WMS / FMS / Customs / ERP interfacing



## Customs & Fiscal Representation

- Clearance and exporting documentation
- Bonded storage
- Customs consulting
- VAT registration



## Performance Reporting & After Sales Service

- Customized performance notifications
- Account management
- Business Process Control

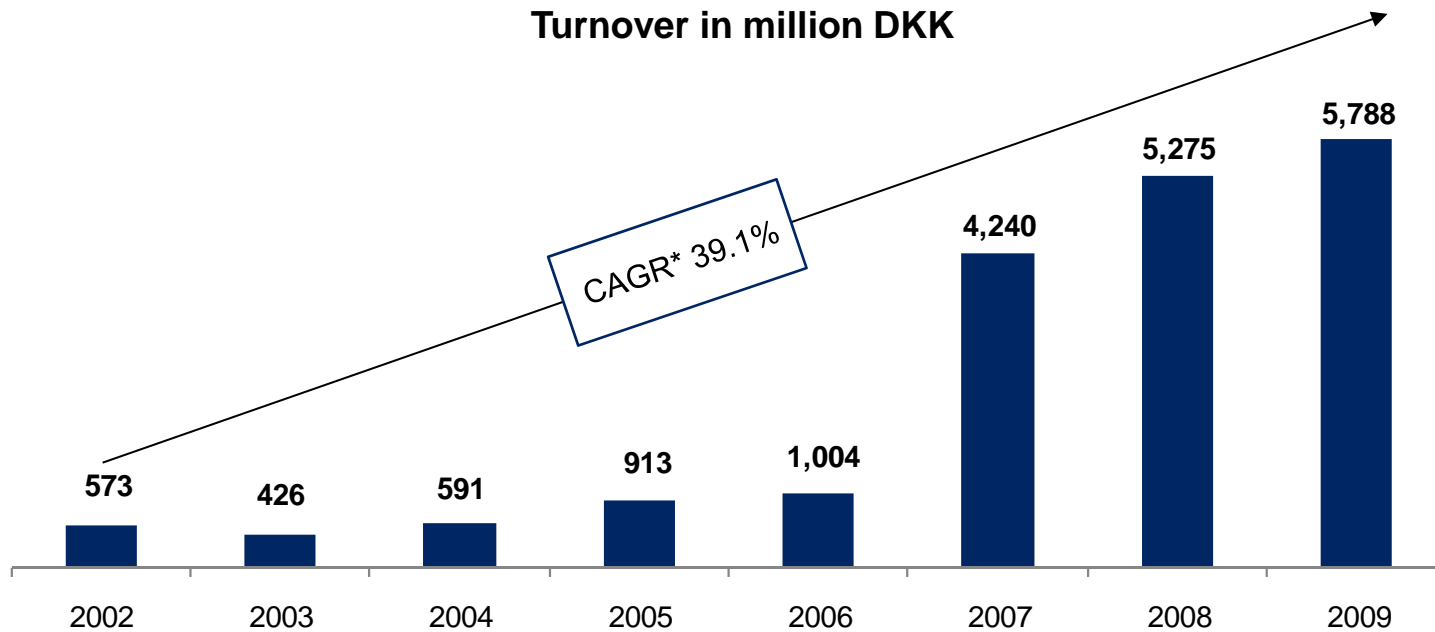


# DSV Solutions Sector Overview



# DSV Solutions - Turnover Development – CARG

Below chart illustrates the development in consolidated Turnover and CAGR for all countries in the Solutions Division from 2002 – 2009.



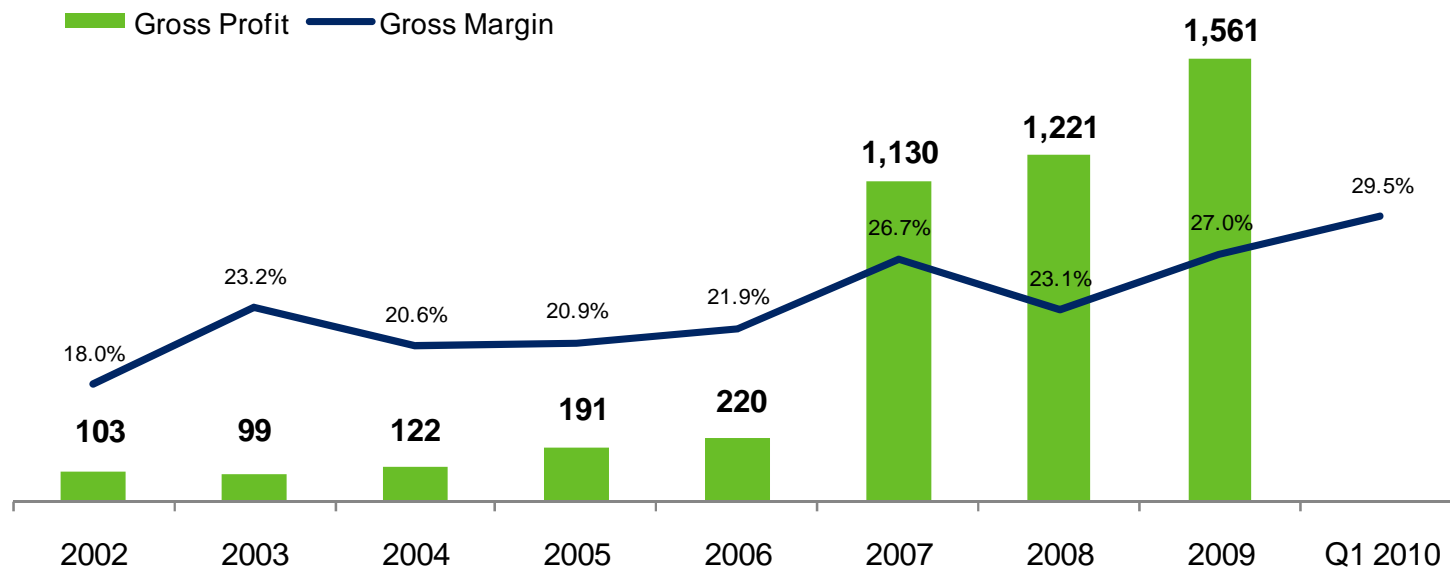
\* CAGR: Compound Annual Growth Rate

Note: 2006 impact from Solutions activity reported under Road (Frans Maas).

# DSV Solutions - Gross Profit Development

Below chart illustrates the development in consolidated Gross Profit and the Gross Margin for all countries in the Solutions Division from 2002 – Q1 2010.

### Gross Profit in million DKK



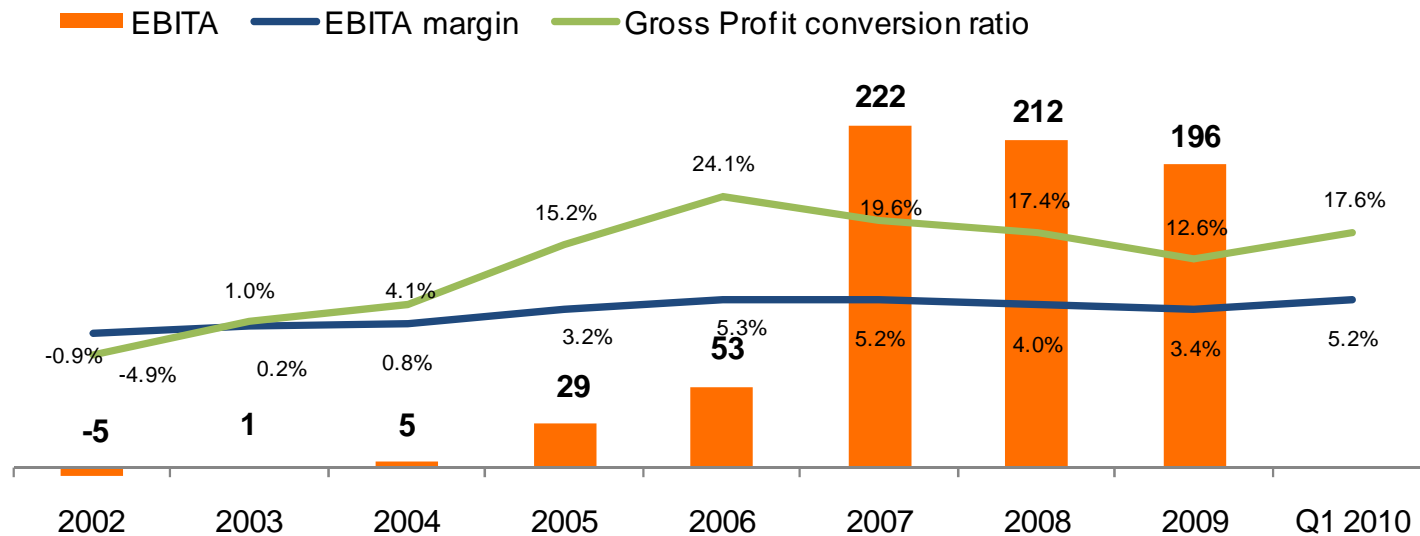
Note: 2006 impact from Solutions activity reported under Road (Frans Maas).



# DSV Solutions - EBITA Development

Below chart illustrates the development in consolidated EBITA , EBITA margin and Gross Profit conversion ratio for all countries in the Solutions Division from 2002 – Q1 2010.

**EBITA in million DKK**

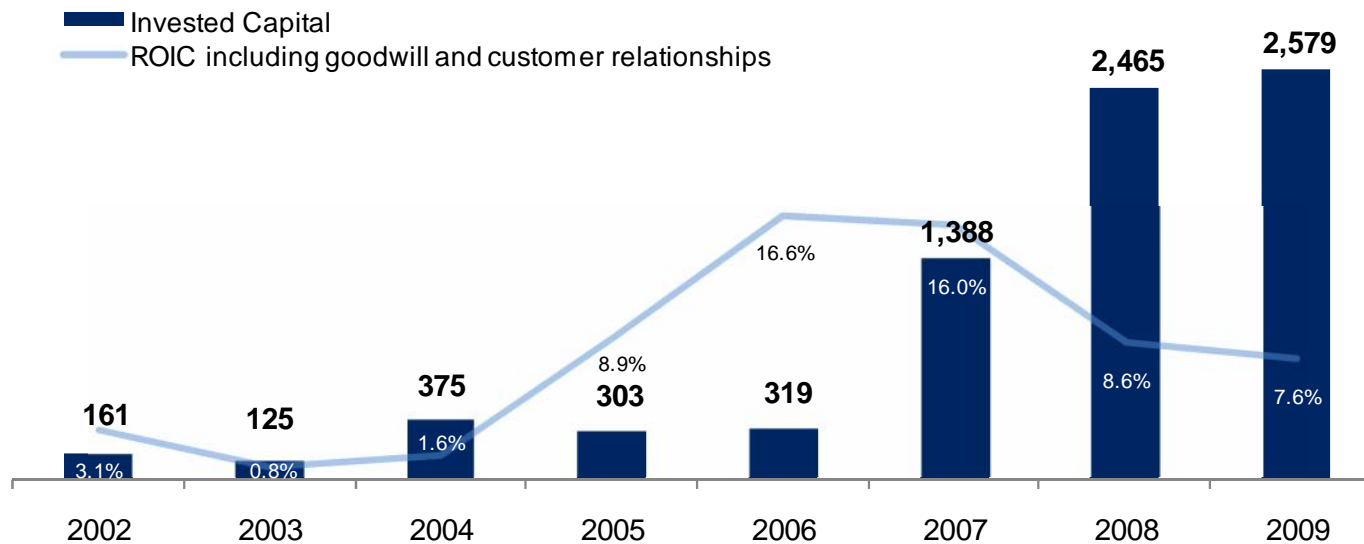


Note: 2006 impact from Solutions activity reported under Road (Frans Maas).

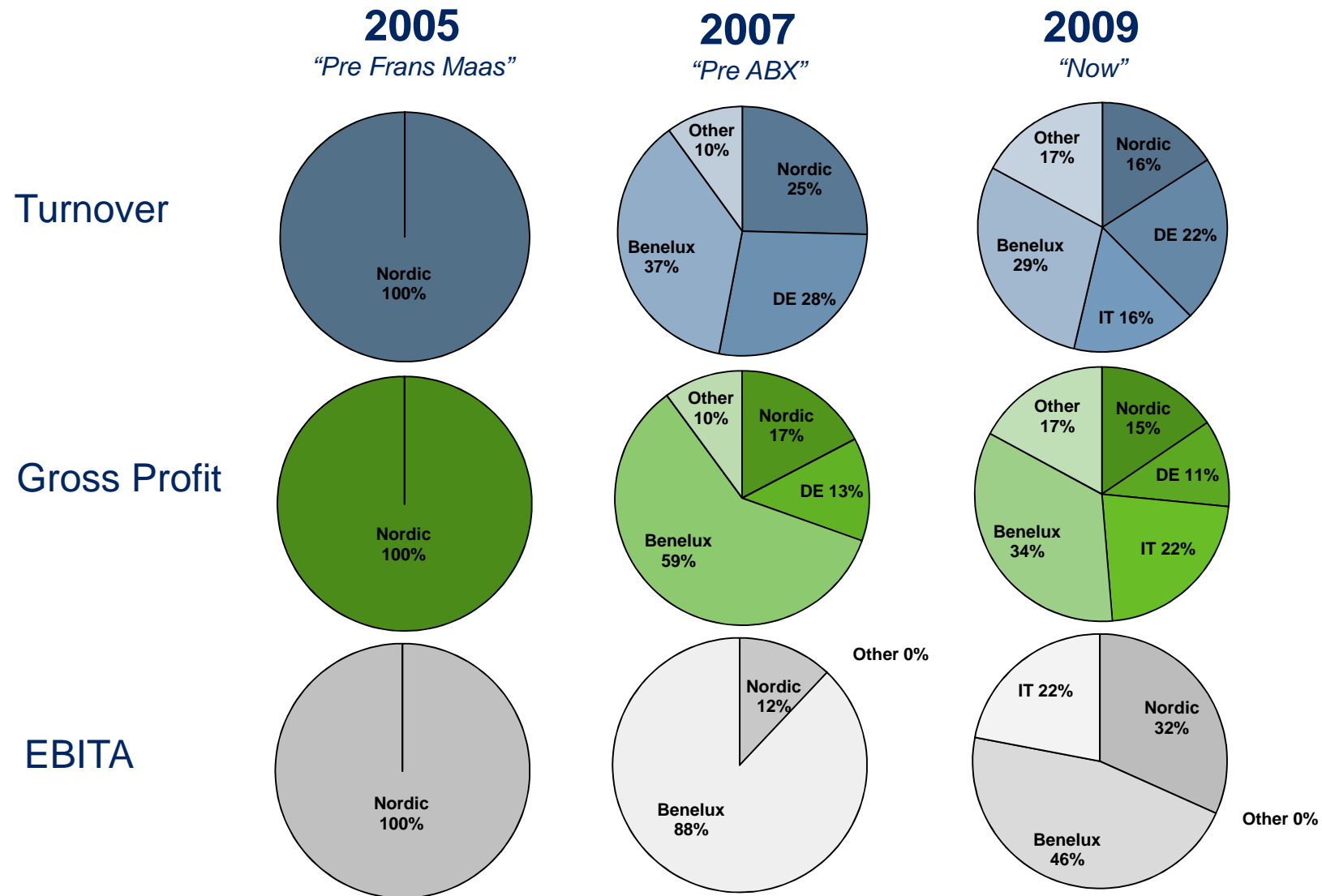
# DSV Solutions – ROIC Development

Below chart illustrates the development in ROIC and Invested Capital for all countries in the Solutions Division from 2002 – 2009.

Invested Capital in million DKK

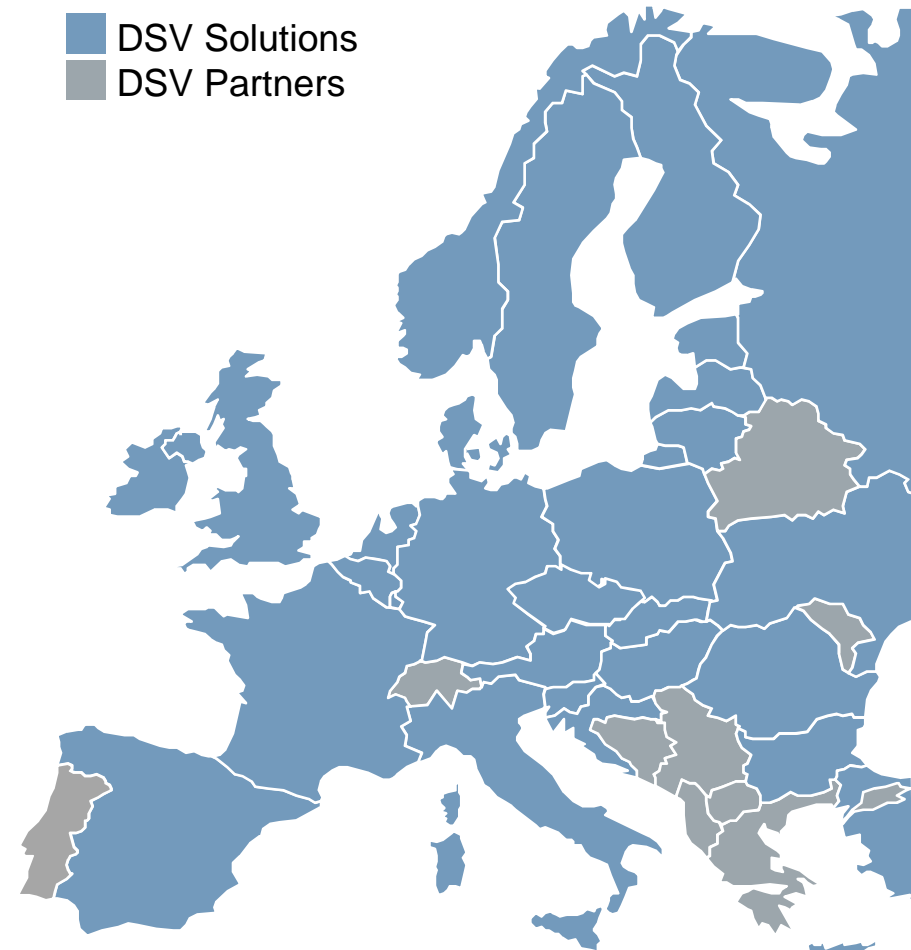


# Comparison by Country in 2005, 2007 and 2009



# DSV Solutions European Sites Overview

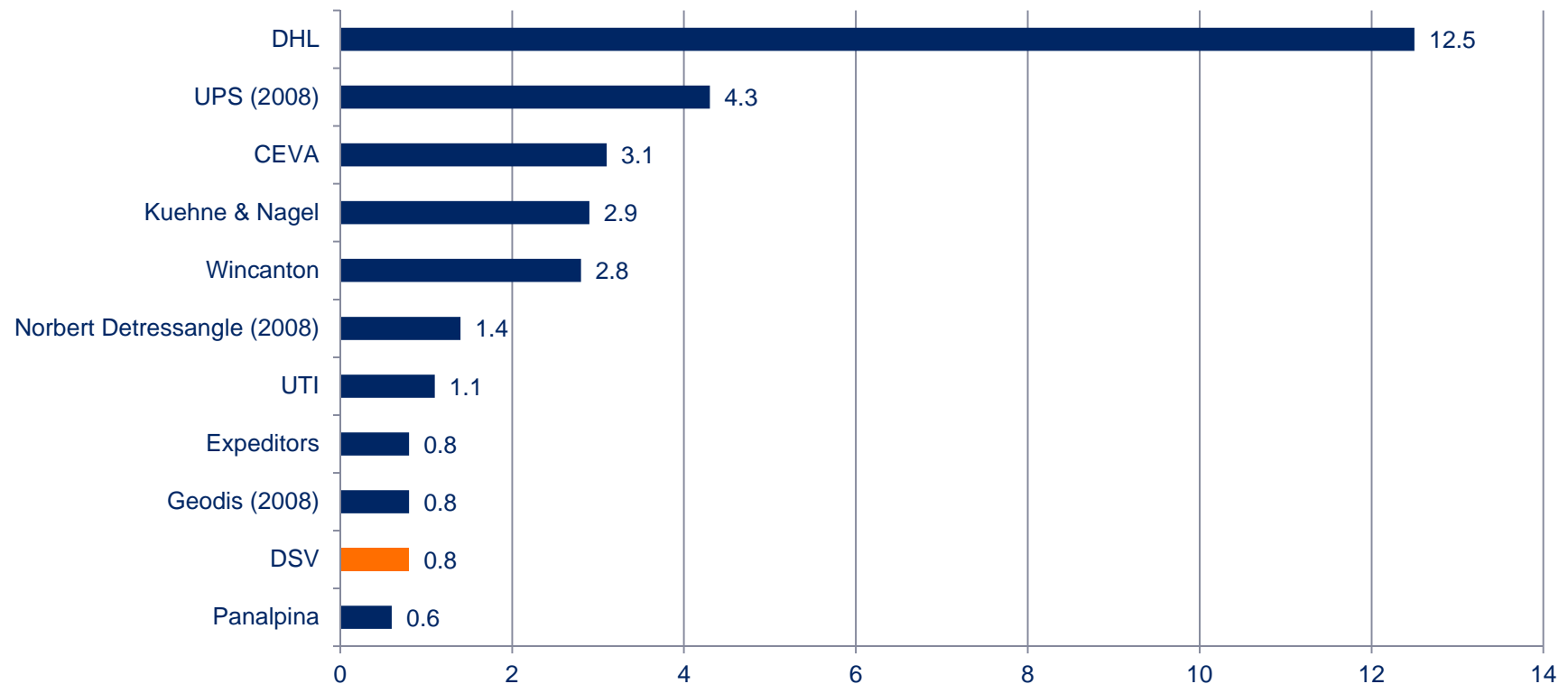
| Country             | Sites | Space                 |
|---------------------|-------|-----------------------|
| Austria             | 1     | 4,000m <sup>2</sup>   |
| Baltics             | 3     | 18,000m <sup>2</sup>  |
| Belgium             | 8     | 239,000m <sup>2</sup> |
| Bulgaria            | 1     | 14,000m <sup>2</sup>  |
| Croatia             | 3     | 3,000m <sup>2</sup>   |
| Czech Republic      | 6     | 15,000m <sup>2</sup>  |
| Denmark             | 6     | 95,000m <sup>2</sup>  |
| Finland             | 9     | 48,000m <sup>2</sup>  |
| France              | 5     | 150,000m <sup>2</sup> |
| Germany             | 9     | 300,000m <sup>2</sup> |
| Hungary             | 3     | 15,000m <sup>2</sup>  |
| Republic of Ireland | 7     | 73,000m <sup>2</sup>  |
| Italy               | 13    | 527,000m <sup>2</sup> |
| Netherlands         | 9     | 390,000m <sup>2</sup> |
| Norway              | 2     | 40,000m <sup>2</sup>  |
| Poland              | 7     | 85,500m <sup>2</sup>  |
| Portugal            | 1     | 12,000m <sup>2</sup>  |
| Romania             | 3     | 45,500m <sup>2</sup>  |
| Russia              | 3     | 77,500m <sup>2</sup>  |
| Slovakia            | 4     | 12,000m <sup>2</sup>  |
| Spain               | 3     | 100,000m <sup>2</sup> |
| Sweden              | 4     | 180,000m <sup>2</sup> |
| Turkey              | 2     | 22,000m <sup>2</sup>  |
| Ukraine             | 5     | 19,600m <sup>2</sup>  |
| United Kingdom      | 8     | 73,000m <sup>2</sup>  |



# Competitor Revenue Comparisons

## Revenue Equivalent to DSV Solutions

2009 Solutions Revenue (€bn)



Source: annual reports

# DSV Solutions

## Price mechanisms

| Service / Activity   | Impact   |
|----------------------|--|
| Multi-customer       | Rates per activity / storage volume                                      |
| Dedicated            | Back-to-back agreement   |
| Inbound freight      | Air - Ocean - Road (box => container)                                    |
| Handling-in          | Rate per pallet / box / order line                                       |
| Storage              | Rate per m <sup>3</sup> / m <sup>2</sup> / pallet / box / bin            |
| Handling-out         | Rate per pallet / box / order line                                       |
| Value Added Services | Rate per activity / man-hours  |
| Distribution         | Truck / loading meter / pallet / box @ time sensitivity @ transport mode |

# DSV Solutions

## Price developments

**WW recession forced many companies to free up working capital**

**Inventory levels – risk of price erosion – obsolescence have become KPI's**

**Lower freight rates and availability of production capacity allowed principals to XD and thus reducing inventory**

**In general rates for warehousing have dropped 15-25%**

**Productivity has been increased significantly to compensate the price erosion**

**Due to empty storage capacity all over Europe, storage revenue still under pressure**

**Economy in Western Europe has picked up; price levels will stay behind 2007-2008**

## Focus Areas / Goals

- Improve earnings in non-performing areas
- Increase of warehouse space utilisation
- Continue to focus on cost saving
- Improve and standardize business processes
- Roll-out of business suite CargoWRITE
- Improve ROIC
- Organic growth
- Increase cooperation and cross selling with Road and Air & Sea







[www.dsv.com](http://www.dsv.com)

**DSV**