



INTERIM FINANCIAL REPORT

First quarter 2018

Company announcement no. 690

1 May 2018

Selected financial and operating data for the period 1 January – 31 March 2018

(DKKm)	Q1 2018	Q1 2017
Net revenue	18,380	18,223
Gross profit	4,120	4,220
Operating profit (EBIT) before special items	1,156	1,129
<i>Operating margin</i>	6.3%	6.2%
<i>Conversion ratio</i>	28.1%	26.8%
Special items, costs	-	160
Profit for the period	769	669
Adjusted earnings for the period	786	809
Adjusted free cash flow	448	839
Diluted adjusted earnings per share of DKK 1 for the period	4.2	4.3

Jens Bjørn Andersen, CEO: "DSV performed well in the first quarter of 2018 and delivered growth in both freight volumes and EBIT. Based on the good start to 2018 and overall positive market trends we increase the low end of the EBIT guidance range for the full-year and launch a new three-month share buyback programme of DKK 1.1 billion."

The consolidated full-year outlook for 2018 previously announced is adjusted as follows:

- Operating profit before special items is expected to be in the range of DKK 5,100-5,400 million (previously DKK 5,000-5,400 million).
- Adjusted free cash flow is expected to approximate DKK 4,000 million (unchanged).
- The effective tax rate is expected to be 23% (unchanged).

A separate company announcement about the launch of a three-month share buyback programme of DKK 1,100 million will be issued today.

Contacts

Investor Relations

Flemming Ole Nielsen, tel. +45 43 20 33 92, flemming.o.nielsen@dsv.com

Ronni Funch Olsen, tel. +45 43 20 31 93, ronni.f.olsen@dsv.com

Media

Tina Hindsbo, tel. +45 43 20 36 63, tina.hindsbo@dsv.com

This announcement has been forwarded to Nasdaq Copenhagen and to the press. It is also available at www.dsv.com.

Yours sincerely,
DSV A/S

DSV A/S, Hovedgaden 630, 2640 Hedehusene, Denmark, tel. +45 43 20 30 40, CVR No. 58233528, www.dsv.com.

Global Transport and Logistics

With offices and facilities in more than 80 countries on six continents, we provide and run supply chain solutions for thousands of companies on a daily basis. Our reach is global yet our presence is local and close to our customers. Read more at www.dsv.com

Financial highlights*

	Q1 2018	Q1 2017
Income statement (DKKm)		
Net revenue	18,380	18,223
Gross profit	4,120	4,220
Operating profit before amortisation, depreciation and special items	1,338	1,311
Operating profit (EBIT) before special items	1,156	1,129
Special items, costs	-	160
Net financial expenses	155	94
Profit for the period	769	669
Adjusted earnings for the period	786	809
Balance sheet (DKKm)		
DSV A/S shareholders' share of equity	14,487	13,967
Non-controlling interests	(29)	(39)
Balance sheet total	38,522	40,304
Net working capital	1,884	2,240
Net interest-bearing debt	6,116	7,754
Invested capital	20,645	21,831
Gross investment in property, plant and equipment	148	161
Cash flows (DKKm)		
Operating activities	500	563
Investing activities	(52)	164
Free cash flow	448	727
Adjusted free cash flow	448	839
Financing activities	(243)	(851)
Share buyback	(691)	-
Dividends distributed	(380)	(342)
Cash flow for the period	205	(124)
Financial ratios (%)		
Gross margin	22.4	23.2
Operating margin	6.3	6.2
Conversion ratio	28.1	26.8
Effective tax rate	23.2	23.5
ROIC before tax	23.1	18.2
Return on equity (ROE)	21.7	16.6
Solvency ratio	37.6	34.7
Gearing ratio	1.1	1.6
Share ratios		
Earnings per share of DKK 1	4.2	3.6
Earnings per share of DKK 1 for the last 12 months	16.6	11.3
Diluted adjusted earnings per share of DKK 1	4.2	4.3
Diluted adjusted earnings per share of DKK 1 for the last 12 months	18.4	14.9
Number of shares issued ('000)	190,000	190,000
Number of treasury shares ('000)	6,922	3,906
Average number of shares issued ('000) for the period	183,375	185,724
Average number of shares issued ('000) for the past 12 months	185,449	185,363
Average diluted number of shares ('000) for the period	186,549	188,166
Average diluted number of shares ('000) for the past 12 months	188,442	187,593
Share price on 31 March (DKK)	474.3	361.0
Staff		
Number of full-time employees on 31 March	46,767	45,112

*) For a definition of the financial highlights, please refer to page 81 of the 2017 Annual Report.

Management's commentary

The Group achieved a gross profit of DKK 4,120 million for the first three months of 2018 against DKK 4,220 million for the same period last year. In constant currencies, the growth in gross profit was 3%.

Operating profit before special items was DKK 1,156 million for the period against DKK 1,129 million for the same period of 2017. The growth in earnings was mainly driven by the Air & Sea and Solutions divisions. In constant currencies, EBIT growth came to 9% in Q1 2018.

” In constant currencies, EBIT growth came to 9% in Q1 2018



Profit for the period

Net revenue

For the first three months of 2018, DSV recorded net revenue of DKK 18,380 million (2017: DKK 18,223 million). Adjusted for exchange rate fluctuations (constant currencies), growth for the period was 5.6%.

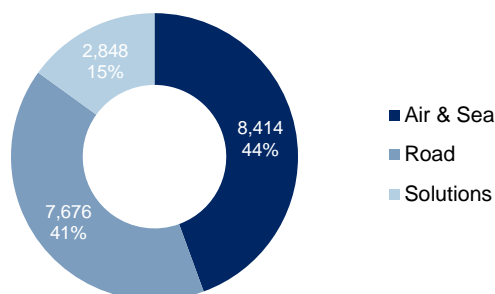
The global freight and logistics markets continue to exhibit positive trends in most areas, driven by the general economic development.

The air freight market was the strongest with an estimated 5-6% volume growth, whereas other markets grew in line with the underlying economy, estimated at 2-4%.

The Air & Sea division achieved a growth in net revenue of 6.2%, Road 3.3% and Solutions 10.3% (in constant currencies).

Relative to the same period of 2017, net revenue was negatively impacted by a lower number of working days, due to the timing of Easter.

NET REVENUE YTD 2018 (DKKm)

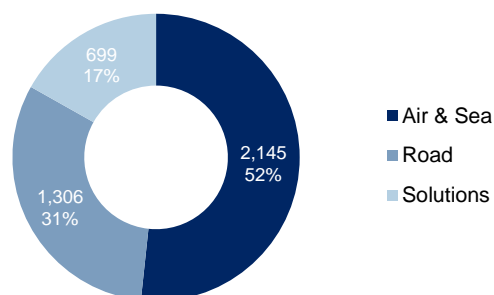


Gross profit

Gross profit was DKK 4,120 million for the first three months of the year against DKK 4,220 million for the same period of 2017. In constant currencies, the growth in gross profit was 2.7%.

The Air & Sea and Solutions divisions achieved growth of 8.6% and 8.5% respectively, whereas the Road division saw a decline of 6.3% impacted by the lower number of working days (all in constant currencies).

GROSS PROFIT YTD 2018 (DKKm)



The consolidated gross margin was 22.4% for the first three months of 2018, against 23.2% in the same period last year.

GROWTH

(DKKm)	Q1 2017	Currency translation adjustments	Growth	Growth in constant currencies	Q1 2018
Net revenue	18,223	(822)	979	5.6%	18,380
Gross profit	4,220	(207)	107	2.7%	4,120
EBIT before special items	1,129	(65)	92	8.7%	1,156

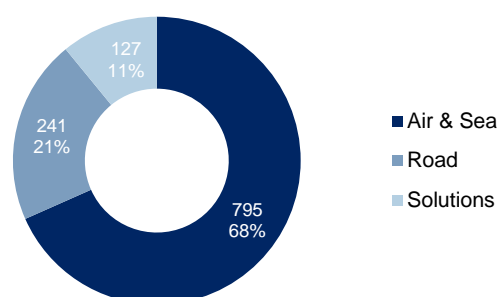
Operating profit before special items

Operating profit before special items was DKK 1,156 million for Q1 2018 against DKK 1,129 million for the same period of 2017. In constant currencies, growth for the period was 8.7%.

The improvement is attributable to a strong performance in the Air & Sea and Solutions divisions and includes the full-year impact of the remaining UTi synergies.

The conversion ratio was 28.1% for the three-month period against 26.8% for the corresponding period of 2017. The operating margin (before special items) was 6.3% for Q1 2018 against 6.2% for the same period last year.

Operating profit before special items YTD 2018 (DKKm)



Special items, net

Special items totalled DKK 0 million for the first three months of 2018 against UTi integration costs of DKK 160 million in the same period last year.

Financial items

Financial items totalled a net expense of DKK 155 million for Q1 2018. This included exchange rate losses of DKK 86 million, mainly non-cash intra-group exchange rate losses.

Tax on profit for the period

The effective tax rate of 23.2% for Q1 2018 was at the expected level.

Diluted adjusted earnings per share

Diluted adjusted earnings per share were DKK 4.2 for the first three months of 2018, down 2.3% compared to the same period last year and negatively impacted by higher net financial costs.

For the last 12 months, diluted adjusted earnings was DKK 18.4 per share against DKK 14.9 for the same period last year, corresponding to an increase of 23.5%.

Cash flow statement

CASH FLOW STATEMENT

(DKKm)	Q1 2018	Q1 2017
EBITDA before special items	1,338	1,311
Change in net working capital	(536)	(328)
Adjustment, non-cash operating items	(61)	(45)
Adjustment, other operating items	(241)	(375)
Cash flow from operating activities	500	563
Purchase and sale of intangibles, property, plant and equipment	(49)	146
Other	(3)	18
Cash flow from investing activities	(52)	164
Free cash flow	448	727
Proceeds from and repayment of short-term and long-term debt	747	(600)
Allocated to shareholders	(1,071)	(342)
Exercise of share options	67	86
Other transactions with shareholders	14	5
Cash flow from financing activities	(243)	(851)
Cash flow for the period	205	(124)
Adjusted free cash flow	448	839

Cash flow from operating activities

Cash flow from operating activities was DKK 500 million for the first three months of 2018 against DKK 563 million for the same period of 2017. The decrease is mainly due to fluctuations in net working capital.

Net working capital

The Group reported funds tied up in net working capital of DKK 1,884 million on 31 March 2018 against DKK 2,240 million on 31 March 2017.

Relative to estimated full-year revenue, the net working capital amounted to 2.5% on 31 March 2018 (31 March 2017: 3.2%).

At the end of Q1 2018, net working capital was impacted by seasonality and the timing of Easter, which delayed payments in some countries. In addition, certain countries have shorter payment terms for VAT and duties at the end of Q1.

Cash flow from investing activities

Cash flow from investing activities amounted to DKK -52 million for the first three months of 2018 against DKK 164 million for the same period of 2017. Q1 2017 was positively impacted by property transactions.

Adjusted free cash flow

Adjusted free cash flow for the period was DKK 448 million against DKK 839 million for the same period last year. The variance is mainly due to net working capital development and cash flow from investing activities.

Capital structure and finances

DSV A/S shareholders' share of equity

The equity interest of DSV shareholders was DKK 14,487 million on 31 March 2018 (DKK 14,835 million on 31 December 2017).

Equity was mainly affected by the profit for the period, distribution of dividends and share buybacks.

On 31 March 2018, DSV's portfolio of treasury shares amounted to 6,922,377 shares, corresponding to 3.6% of the total number of shares issued. On 1 May 2018, the DSV's portfolio of treasury shares amounts to 4,500,877 shares.

The solvency ratio excluding non-controlling interests was 37.6% on 31 March 2018 (31 March 2017: 34.7%).

DSV reduced its share capital on 10 April 2018 through the cancellation of 2.0 million treasury shares. Consequently, the share capital of DSV has a current nominal value of DKK 188 million, corresponding to 188 million shares with a face value of DKK 1.

DEVELOPMENT IN EQUITY

(DKKm)	Q1 2018	Q1 2017
Equity on 1 January	14,835	13,416
Net profit for the period	770	668
Currency translation adjustments, foreign enterprises	(100)	106
Dividends distributed	(380)	(342)
Purchase of treasury shares	(691)	-
Sale of treasury shares	67	86
Adjustments relating to hedging instruments	(11)	10
Tax on changes in equity	(4)	40
Actuarial gains/(losses)	(34)	(39)
Other adjustments, net	35	22
Equity on 31 March	14,487	13,967

Net interest-bearing debt

Consolidated net interest-bearing debt amounted to DKK 6,116 million on 31 March 2018 against DKK 7,754 million on 31 March 2017.

The financial gearing ratio was 1.1 on 31 March 2018 against 1.6 for the same period last year. The decrease is in line with DSV's capital allocation principles, which stipulate using free cash flow to repay debt if the financial gearing ratio is above our target range (between 1.0 and 1.5x net interest-bearing debt to EBITDA).

The duration of the Group's long-term loan and credit facilities was 3.0 years on 31 March 2018 against 2.7 years on 31 March 2017.

Invested capital

The Group's invested capital including goodwill and customer relationships amounted to DKK 20,645 million on 31 March 2018 against DKK 21,831 million on 31 March 2017.

Return on invested capital (ROIC before tax)

Return on invested capital including goodwill and customer relationships was 23.1% for the 12-month period ended 31 March 2018 against 18.2% for the 12-month period ended 31 March 2017 mainly due to significantly improved operating profit before special items.

Outlook for 2018

The consolidated full-year outlook for 2018 previously announced is adjusted as follows:

- Operating profit before special items is expected to be in the range of DKK 5,100-5,400 million (previously DKK 5,000-5,400 million).
- Adjusted free cash flow is expected to approximate DKK 4,000 million (unchanged).
- The effective tax rate is expected to be 23% (unchanged).

The outlook for 2018 is based on the assumption of a stable development in the markets in which the Group operates and that currency exchange rates, especially USD against DKK, will remain at the current level.

DSV Air & Sea

Activities

The Air & Sea division offers a global network and specialises in the transportation of cargo by air and sea. The division offers both conventional freight services and tailored project cargo solutions.

In Q1 2018, the division reported 10% growth in air freight volumes and 4% growth for sea freight. DSV Air & Sea reported EBIT before special items of DKK 795 million for Q1 2018 (2017: DKK 690 million). The conversion ratio was 37.1% (2017: 32.6%).



” For Q1 2018, EBIT before special items totalled DKK 795 million against DKK 690 million last year

INCOME STATEMENT

(DKKm)	Q1 2018	Q1 2017
Divisional net revenue	8,414	8,470
Direct costs	6,269	6,354
Gross profit	2,145	2,116
Other external expenses	457	491
Staff costs	870	904
EBITDA before special items	818	721
Amortisation and depreciation of intangibles, property, plant and equipment	23	31
EBIT before special items	795	690

KEY OPERATING DATA

	Q1 2018	Q1 2017
Gross margin (%)	25.5	25.0
Conversion ratio (%)	37.1	32.6
Operating margin (%)	9.4	8.1
Number of full-time employees on 31 March	11,996	12,648
Total invested capital (DKKm)	11,518	11,292
Net working capital (DKKm)	1,781	1,434
ROIC before tax (%)	29.2	20.6

Market development

Freight volume growth on 2017

	DSV Q1 2018	Market Q1 2018
Sea freight – TEUs	4%	3-4%
Air freight – tonnes	10%	5-6%

Market growth rates are based on own estimates.

The Air & Sea division reported an increase in sea freight volumes (TEUs) of 4% for Q1 2018. This is estimated to be in line with the market. DSV's growth was mainly driven by export from the EMEA region.

In Q1 2018, the division reported a volume increase (tonnes) of 10% for air freight, mainly driven by strong performance on EMEA and Americas export volume. We estimate that the market grew 5-6% in the same period.

Divisional net revenue

The division's net revenue amounted to DKK 8,414 million for the first three months of 2018 against DKK 8,470 million for the same period last year. In constant currencies, growth for the period was 6.2%.

The increase was driven by higher freight volumes in both air and sea freight.

Gross profit

Gross profit was DKK 2,145 million for Q1 2018 against DKK 2,116 million for the same period of 2017. In constant currencies, growth for the period was 8.6%.

The division achieved growth in all regions, with Americas and EMEA reporting the highest growth rates for the quarter.

The division's gross margin was 25.5% for Q1 2018 against 25.0% for the same period last year.

Gross profit per shipment showed a satisfactory development in the quarter and improved both for air and sea when adjusted for the currency headwind.

EBIT before special items

EBIT before special items was DKK 795 million for the first three months of 2018 against DKK 690 million for the same period last year. In constant currencies, growth for the period was 24.8%, with EMEA as the best performing region.

Conversion ratio was 37.1% for Q1 2018 against 32.6% for the same period last year. The operating margin was 9.4% against 8.1% for the same period last year.

The positive margin development was driven by continued improvement in productivity across the organisation. At the same time, the remaining synergies from the UTi integration are being realised according to schedule. The synergy impact is mainly related to the full-year impact of integration work carried out during 2017.

The division is focusing on several strategic initiatives. These include improvement of data quality in the transport management system, ensuring scalability of IT infrastructure and roll-out of a new mobile IOD (information of delivery) app. Furthermore, the division continues to develop services within purchase order management.

Working capital

The Air & Sea division reported funds tied up in net working capital of DKK 1,781 million on 31 March 2018 against DKK 1,434 million on 31 March 2017.

GROWTH

(DKKm)	Q1 2017	Currency translation adjustments	Growth	Growth in constant currencies	Q1 2018
Divisional net revenue	8,470	(544)	488	6.2%	8,414
Gross profit	2,116	(141)	170	8.6%	2,145
EBIT before special items	690	(53)	158	24.8%	795

AIR AND SEA SPLIT

(DKKm)	Sea freight		Air freight	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Divisional net revenue	4,208	4,442	4,206	4,028
Direct costs	3,128	3,359	3,141	2,995
Gross profit	1,080	1,083	1,065	1,033
Gross margin (%)	25.7	24.4	25.3	25.6
Volume (TEUs/tonnes)	346,788	332,787	162,689	147,439
Gross profit per unit (DKK)	3,114	3,255	6,546	7,004

DSV Road

Activities

DSV Road is among the market leaders in Europe and a significant player in North America and South Africa. The division offers full load, part load and groupage services through a strong network of more than 200 terminals and operates more than 20,000 trucks on a daily basis.

In Q1 2018, DSV Road continued to gain market share and reported 3% growth in shipments. EBIT before special items was DKK 241 million for Q1 2018 against DKK 378 million for the same period of 2017. Q1 2017 was impacted by a gain on property transactions of DKK 125 million.



” Underlying growth in gross profit came to 3% for the quarter

INCOME STATEMENT

(DKKm)	Q1 2018	Q1 2017
Divisional net revenue	7,676	7,633
Direct costs	6,370	6,200
Gross profit	1,306	1,433
Other external expenses	347	332
Staff costs	686	686
EBITDA before special items	273	415
Amortisation and depreciation of intangibles, property, plant and equipment	32	37
EBIT before special items	241	378

KEY OPERATING DATA

	Q1 2018	Q1 2017
Gross margin (%)	17.0	18.8
Conversion ratio (%)	18.5	26.4
Operating margin (%)	3.1	5.0
Number of full-time employees on 31 March	13,047	12,576
Total invested capital (DKKm)	4,312	4,231
Net working capital (DKKm)	(665)	(198)
ROIC before tax (%)	24.9	29.0

Market development

Freight volume growth on 2017

	DSV Q1 2018	Market Q1 2018
Shipments	3%	2-3%

Market growth rates are based on own estimates.

With shipment growth of 3% in the first three months of 2018 compared to the same period last year, Management estimates that the Road division has gained market share in most markets.

The activity in Q1 2018 was negatively impacted by a lower number of working days due to the timing of Easter.

Divisional net revenue

The division's net revenue amounted to DKK 7,676 million for the first three months of 2018 against DKK 7,633 million for the same period last year. In constant currencies, growth for the period was 3.3%.

The increase was mainly attributable to the growth in number of shipments.

Gross profit

For the first three months of 2018, gross profit totalled DKK 1,306 million against DKK 1,433 million for the same period last year.

Gross profit was impacted by a net gain of approx. DKK 125 million on property transactions in Q1 2017. Underlying growth in gross profit came to 3% for the quarter (in constant currencies and adjusted for one-offs).

GROWTH

(DKKm)	Q1 2017	Currency translation adjustments	Growth	Growth in constant currencies	Q1 2018
Divisional net revenue	7,633	(201)	244	3.3%	7,676
Gross profit	1,433	(39)	(88)	(6.3%)	1,306
EBIT before special items	378	(12)	(125)	(34.2%)	241

The gross margin in Q1 2018 was 17.0%, compared to an underlying gross margin of 17.4% in Q1 2017.

During Q1 2018, the division was able to increase prices towards customers, following haulier rate increases, which impacted the gross margin negatively in Q4 2017. As a result, the gross margin improved sequentially compared to 16.1% in Q4 2017.

EBIT before special items

EBIT before special items was DKK 241 million for the first three months of 2018 against DKK 378 million for the same period last year. A net gain related to property transactions impacted Q1 2017 positively.

Conversion ratio was 18.5% for Q1 2018 compared to 26.4% last year. The division's operating margin for Q1 2018 was 3.1% compared to 5.0% last year.

The margins in Q1 2018 were negatively impacted by the lower number of working days compared to last year.

The Road division continues to focus on several strategic projects to develop customer services and improve productivity. This includes an updated TMS system, which is currently being tested in a pilot, and roll-out of the online platform myDSV.

Working capital

The Road division reported funds tied up in net working capital of DKK -665 million on 31 March 2018 against DKK -198 million on 31 March 2017.

DSV Solutions

Activities

DSV Solutions specialises in contract logistics – logistics and warehousing solutions that support customers' entire supply chain. In addition to traditional warehousing and distribution services, the division's service portfolio includes freight management, customs clearance, order management and e-commerce solutions.

DSV Solutions reported EBIT before special items of DKK 127 million for the first three months of 2018 against DKK 66 million for the same period last year.



” For Q1 2018, EBIT before special items totalled DKK 127 million against DKK 66 million last year

INCOME STATEMENT

(DKKm)	Q1 2018	Q1 2017
Divisional net revenue	2,848	2,678
Direct costs	2,149	2,007
Gross profit	699	671
Other external expenses	235	236
Staff costs	278	309
EBITDA before special items	186	126
Amortisation and depreciation of intangibles, property, plant and equipment	59	60
EBIT before special items	127	66

KEY OPERATING DATA

	Q1 2018	Q1 2017
Gross margin (%)	24.5	25.1
Conversion ratio (%)	18.2	9.8
Operating margin (%)	4.5	2.5
Number of full-time employees on 31 March	19,534	17,651
Total invested capital (DKKm)	4,166	4,109
Net working capital (DKKm)	1,067	1,058
ROIC before tax (%)	13.4	11.0

Market development

The contract logistics market is estimated to have grown by 3-4% in Q1 2018. After a period with stable growth, the market was relatively balanced and warehouse utilisation is high in most regions.

As seen in previous years, growth was strongest in the e-commerce sector, but the market trends were also strong in other, more conventional industries.

Measured by net divisional revenue, the division achieved growth of 10.3%, with APAC and Americas as the strongest regions and retail and automotive industries as the main growth drivers.

Divisional net revenue

The division's net revenue was DKK 2,848 million for Q1 2018 against DKK 2,678 million for the same period of 2017. In constant currencies, growth for the period was 10.3%.

Gross profit

Gross profit totalled DKK 699 million for Q1 2018 against DKK 671 million for the same period last year. In constant currencies, growth for the period was 8.5%.

The increase in gross profit for the period is mainly attributable to growth with large retail brands (including e-commerce) and the automotive industry. Furthermore, the division successfully

improved the productivity and financial performance in several locations.

The division's gross margin was 24.5% for Q1 2018 against 25.1% for the same period of 2017.

EBIT before special items

EBIT before special items was DKK 127 million for the first three months of 2018 against DKK 66 million for the same period last year. Regionally, growth was mainly driven by a strong performance in the EMEA region.

Conversion ratio was 18.2% for Q1 2018 against 9.8% for the same period last year. The division's operating margin was 4.5% for Q1 2018 against 2.5% for the same period last year.

The improvement in margins was driven by both higher gross profit and a lower cost base compared to the same period last year.

The division continues to focus on increasing productivity via automation of warehouses, development of larger and more efficient warehouses and consolidation of the global warehouse management system.

Working capital

The division reported funds tied up in net working capital of DKK 1,067 million on 31 March 2018 against DKK 1,058 million on 31 March 2017.

GROWTH

(DKKm)	Q1 2017	Currency translation adjustments	Growth	Growth in constant currencies	Q1 2018
Divisional net revenue	2,678	(97)	267	10.3%	2,848
Gross profit	671	(27)	55	8.5%	699
EBIT before special items	66	(1)	62	95.4%	127

Interim financial statements

Income statement

(DKKm)	Q1 2018	Q1 2017
Net revenue	18,380	18,223
Direct costs	14,260	14,003
Gross profit	4,120	4,220
Other external expenses	758	851
Staff costs	2,024	2,058
Operating profit before amortisation, depreciation and special items	1,338	1,311
Amortisation and depreciation of intangibles, property, plant and equipment	182	182
Operating profit before special items	1,156	1,129
Special items, costs	-	160
Financial items	155	94
Profit before tax	1,001	875
Tax on profit for the period	232	206
Profit for the period	769	669
Profit for the period is attributable to:		
Shareholders of DSV A/S	770	668
Non-controlling interests	(1)	1
Earnings per share:		
Earnings per share of DKK 1	4.2	3.6
Diluted earnings per share of DKK 1 for the period	4.1	3.6

Statement of comprehensive income

(DKKm)	Q1 2018	Q1 2017
Profit for the period	769	669
Items that will be reclassified to income statement when certain conditions are met:		
Currency translation adjustments, foreign enterprises	(102)	104
Fair value adjustment relating to hedging instruments	(11)	8
Fair value adjustment relating to hedging instruments transferred to financials	-	2
Tax on items reclassified to income statement	1	(3)
Items that will not be reclassified to income statement:		
Actuarial gains/(losses)	(34)	(39)
Tax relating to items that will not be reclassified	7	10
Other comprehensive income, net of tax	(139)	82
Total comprehensive income	630	751
Total comprehensive income is attributable to:		
Shareholders of DSV A/S	633	752
Non-controlling interests	(3)	(1)
Total	630	751

Cash flow statement

(DKKm)	Q1 2018	Q1 2017
Operating profit before amortisation, depreciation and special items	1,338	1,311
<i>Adjustments:</i>		
Share-based payments	18	13
Change in provisions	(79)	(58)
Change in working capital, etc.	(536)	(328)
Special items	-	(112)
Interest received	15	29
Interest paid	(115)	(128)
Corporation tax, paid	(141)	(164)
Cash flow from operating activities	500	563
Purchase of intangible assets	(113)	(71)
Purchase of property, plant and equipment	(148)	(164)
Disposal of property, plant and equipment	212	381
Change in other financial assets	(3)	18
Cash flow from investing activities	(52)	164
Free cash flow	448	727
Proceeds from and repayment of short-term and long-term debt	783	(585)
Other financial liabilities incurred	(36)	(15)
<i>Shareholders:</i>		
Dividends distributed	(380)	(342)
Purchase of treasury shares	(691)	-
Sale of treasury shares	67	86
Other transactions with shareholders	14	5
Cash flow from financing activities	(243)	(851)
Cash flow for the period	205	(124)
Cash and cash equivalents at 1 January	1,348	1,714
Cash flow for the period	205	(124)
Currency translation adjustments	5	73
Cash and cash equivalents at 31 March	1,558	1,663
The cash flow statement cannot be directly derived from the balance sheet and income statement.		
<i>Statement of adjusted free cash flow</i>		
Free cash flow	448	727
Special items (restructuring costs)	-	112
Adjusted free cash flow	448	839

Balance sheet - Assets

(DKKm)	31.03.2018	31.12.2017	31.03.2017
Intangible assets	16,478	16,573	17,234
Property, plant and equipment	2,433	2,431	3,228
Other receivables	260	257	299
Deferred tax assets	1,020	965	1,065
Total non-current assets	20,191	20,226	21,826
Trade receivables	12,569	12,557	12,628
Work in progress (services and inventories)	1,955	1,762	2,102
Other receivables	1,723	1,778	1,795
Cash and cash equivalents	1,558	1,348	1,663
Assets held for sale	526	717	290
Total current assets	18,331	18,162	18,478
Total assets	38,522	38,388	40,304

Balance sheet – Equity and liabilities

(DKKm)	31.03.2018	31.12.2017	31.03.2017
Share capital	190	190	190
Reserves	14,297	14,645	13,777
DSV A/S shareholders' share of equity	14,487	14,835	13,967
Non-controlling interests	(29)	(26)	(39)
Total equity	14,458	14,809	13,928
Deferred tax liabilities	189	82	248
Pensions and similar obligations	1,140	1,124	1,524
Provisions	644	706	846
Financial liabilities	6,455	6,491	8,555
Total non-current liabilities	8,428	8,403	11,173
Provisions	384	383	340
Financial liabilities	1,273	495	928
Trade payables	7,141	7,477	6,866
Work in progress (services)	2,655	2,539	2,686
Other payables	3,812	3,953	3,816
Corporation tax	371	329	567
Total current liabilities	15,636	15,176	15,203
Total liabilities	24,064	23,579	26,376
Total equity and liabilities	38,522	38,388	40,304

Statement of changes in equity – 1 January - 31 March 2018

(DKKm)	Share capital	Share premium	Treasury share reserve	Hedging reserve	Translation reserve	Retained earnings	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
Equity on 1 January 2018	190	4,744	(6)	(35)	(508)	10,450	14,835	(26)	14,809
Profit for the period	-	-	-	-	-	770	770	(1)	769
Net exchange differences recognised in OCI	-	-	-	-	(100)	-	(100)	(2)	(102)
Fair value adjustments relating to hedging instruments	-	-	-	(11)	-	-	(11)	-	(11)
Actuarial gains/(losses)	-	-	-	-	-	(34)	(34)	-	(34)
Other adjustments	-	-	-	11	-	(11)	-	-	-
Tax on other comprehensive income	-	-	-	-	-	8	8	-	8
Other comprehensive income, net of tax	-	-	-	-	(100)	(37)	(137)	(2)	(139)
Total comprehensive income for the period	-	-	-	-	(100)	733	633	(3)	630
Transactions with owners:									
Share-based payments	-	-	-	-	-	18	18	-	18
Dividends distributed	-	-	-	-	-	(380)	(380)	-	(380)
Purchase of treasury shares	-	-	-	-	-	(691)	(691)	-	(691)
Sale of treasury shares	-	-	(1)	-	-	68	67	-	67
Dividends on treasury shares	-	-	-	-	-	14	14	-	14
Other adjustments	-	-	-	-	-	3	3	-	3
Tax on transactions with owners	-	-	-	-	-	(12)	(12)	-	(12)
Total transactions with owners	-	-	(1)	-	-	(980)	(981)	-	(981)
Equity on 31 March 2018	190	4,744	(7)	(35)	(608)	10,203	14,487	(29)	14,458

Statement of changes in equity – 1 January - 31 March 2017

(DKKm)	Share capital	Share premium	Treasury share reserve	Hedging reserve	Translation reserve	Retained earnings	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
Equity on 1 January 2017	190	4,744	(5)	(18)	(79)	8,584	13,416	(38)	13,378
Profit for the period	-	-	-	-	-	668	668	1	669
Net exchange differences recognised in OCI	-	-	-	-	106	-	106	(2)	104
Fair value adjustments relating to hedging instruments	-	-	-	8	-	-	8	-	8
Fair value adjustments relating to hedging instruments transferred to financial expenses	-	-	-	2	-	-	2	-	2
Actuarial gains/(losses)	-	-	-	-	-	(39)	(39)	-	(39)
Other adjustments	-	-	-	(52)	-	52	-	-	-
Tax on other comprehensive income	-	-	-	(3)	-	10	7	-	7
Other comprehensive income, net of tax	-	-	-	(45)	106	23	84	(2)	82
Total comprehensive income for the period	-	-	-	(45)	106	691	752	(1)	751
Transactions with owners:									
Share-based payments	-	-	-	-	-	13	13	-	13
Dividends distributed	-	-	-	-	-	(342)	(342)	-	(342)
Sale of treasury shares	-	-	1	-	-	85	86	-	86
Dividends on treasury shares	-	-	-	-	-	7	7	-	7
Other adjustments	-	-	-	-	-	2	2	-	2
Tax on transactions with owners	-	-	-	-	-	33	33	-	33
Total transactions with owners	-	-	1	-	-	(202)	(201)	-	(201)
Equity on 31 March 2017	190	4,744	(4)	(63)	27	9,073	13,967	(39)	13,928

Notes

1 Accounting policies

The Interim Financial Report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and Danish disclosure requirements for listed companies.

Except as stated below, accounting policies applied in preparing the Interim Financial Report are consistent with those applied in preparing the 2017 Annual Report. The 2017 Annual Report provides a full description of Group accounting policies.

Changes in accounting policies

DSV A/S has implemented the latest International Financial Reporting Standards (IFRS) and amendments effective as of 1 January 2018 as adopted by the European Union.

Implementation of the standards and amendments have not had any material impact on the Group's Financial Statements and are likewise not expected to have any significant future impact.

Of the new standards and amendments implemented the most significant are as follows:

IFRS 9 Financial Instruments

IFRS 9 introduces several changes to IAS 39 - including a new impairment framework, new rules for hedge accounting and new requirements and guidance on classifications and measurement of financial assets and liabilities.

The standard has resulted in only minor changes to existing accounting practices, mainly affecting credit loss and impairment models applied. The most significant change has been applied to impairment assessments of trade receivables as these are now considered based on IFRS 9's expected credit-loss model where previously an incurred-loss model was applied. This revised approach has not resulted in any materially different impairment assessment of trade receivables compared to prior practices. Additionally, the new standard has not carried any significant changes to classifications of financial assets or financial liabilities.

IFRS 9 has been applied following the standard retrospective approach, with the practical expedients permitted under the standard and with no restatement of the comparison period.

IFRS 15 Revenue from contracts with customers

IFRS 15 introduces a new framework for revenue recognition and measurement.

The standard has resulted in only minor changes to existing accounting practices, mainly relating to extended external reporting disclosure requirements. IFRS 15 has been applied following the modified retrospective approach with any cumulative effects recognised in retained earnings as of 1 January 2018 and with no restatement of the comparison period.

2 Accounting estimates and judgements

In preparing the Interim Financial Statements, Management makes various accounting estimates and judgements that affect the reported amounts and disclosures in the statements and in the notes to the financial statements. These estimates are based on professional judgement, historical data and other factors available to Management. By their nature, estimates include a degree of uncertainty, and actual results may therefore deviate from the estimates on the reporting date. Estimates are continuously evaluated, and the effects of any changes are recognised in the relevant period.

3 New accounting regulations

The IASB has issued a number of new standards and amendments not yet in effect or endorsed by the EU and therefore not relevant for the preparation of the 2018 interim financial statements.

The most significant of these is IFRS 16 Leases which is also currently the only standard expected to have a significant impact on the DSV financial statements when implemented 1 January 2019.

The standard broadens the criteria for recognition of lease assets and liabilities and will have a material impact on DSV's financial statements, as off-balance operating leases will be capitalised and accounted for, similar to our current finance lease accounting practices.

The expected impact of implementing the standard on the DSV financial statements remains unchanged from the assessment disclosed in chapter 1 of the DSV Annual Report 2017.

4 Segment information

(DKKm)	Air & Sea		Road		Solutions		Other activities, non-allocated items and eliminations		Total	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Condensed income statement										
Divisional net revenue	8,414	8,470	7,676	7,633	2,848	2,678	572	516	19,510	19,297
Intercompany revenue	(138)	(130)	(357)	(356)	(71)	(103)	(564)	(485)	(1,130)	(1,074)
Net revenue	8,276	8,340	7,319	7,277	2,777	2,575	8	31	18,380	18,223
Gross profit	2,145	2,116	1,306	1,433	699	671	(30)	-	4,120	4,220
Other external expenses	457	491	347	332	235	236	(281)	(208)	758	851
Staff costs	870	904	686	686	278	309	190	159	2,024	2,058
Amortisation and depreciation of intangibles, property, plant and equipment	23	31	32	37	59	60	68	54	182	182
Operating profit before special items	795	690	241	378	127	66	(7)	(5)	1,156	1,129
Condensed balance sheet										
Total assets	20,968	21,465	15,995	15,824	6,908	7,033	(5,349)	(4,018)	38,522	40,304
Total liabilities	23,629	27,007	9,284	9,320	6,876	7,111	(15,725)	(17,062)	24,064	26,376

5 Net revenue

Net revenue comprises freight forwarding services and other related services delivered in the financial period as well as changes in the completion of services in progress. Net revenue also comprises other operating income relating to our service deliveries.

Net revenue from freight forwarding services are recognised following the over-time recognition principle. Most freight forwarding services and related services are characterised by

short delivery time with the exception of sea services, which usually take longer due to the nature of the transport service delivered.

Our major service deliveries – Air & Sea services, Road services and Solutions services – follows our divisional structure as presented in note 4 Segment information. Geographical segmentation of net revenue breaks down as follows:

(DKKm)	EMEA		Americas		APAC		Total	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Air & Sea services	4,421	4,278	2,080	2,176	1,913	2,016	8,414	8,470
Road services	7,057	6,971	619	662	-	-	7,676	7,633
Solutions services	2,191	2,031	438	436	219	211	2,848	2,678
Divisional net revenue	13,669	13,280	3,137	3,274	2,132	2,227	18,938	18,781
Non-allocated items and eliminations							(558)	(558)
Total net revenue							18,380	18,223

6 Share options schemes

DSV has launched a new 2018 share-based payment incentive scheme with the purpose of motivating and retaining senior staff and members of the Executive Board. The scheme is also intended to align the interests of staff and shareholders.

Share options are granted pursuant to the general guidelines for incentive pay for employees of DSV A/S as approved at the Annual General Meeting on 10 March 2016.

The share options are equity-settled and can be exercised by cash purchase of shares only. The obligation relating to the share options scheme is covered by the DSV's treasury shares.

The fair value of the share options scheme is valued using a Black & Scholes valuation model. The assumptions used are based on Management's judgements as listed in the following table:

	Assumptions - Share option scheme 2018
Vesting period	28.03.2018 - 28.03.2021
Exercise period	28.03.2021 - 28.03.2023
Number of employees	1,600
Number of options granted	
Executive Board	190,000
Senior staff	2,543,500
Total	2,733,500
Market value at date of grant	
Market value (DKKm)	132
Exercise price	477.5
Volatility (%)	16
Risk-free interest rate (%)	-0.020
Expected dividend (%)	1.0
Expected remaining life (years)	3.5

Outstanding share option schemes

The aggregate market value of all outstanding share option schemes of the Group on 31 March 2018 amounts to DKK 1,591 million, of which DKK 111 million are held by members of the Executive Board.

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today considered and adopted the Interim Financial Report of DSV A/S for the three-month period ended on 31 March 2018.

The Interim Financial Report, which has not been audited or reviewed by the Company auditor, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and additional requirements in accordance with the Danish Financial Statements Act.

In our opinion, the Interim Financial Statements give a true and fair view of the DSV Group's assets, equity, liabilities and financial position on 31 March 2018 and of the results of the Group's activities and the cash flow for the three-month period ended on 31 March 2018.

We also find that the Management's commentary provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period, the general financial position of the Group and a description of the major risks and elements of uncertainty faced by the Group.

Hedehusene, 1 May 2018

Executive Board:

Jens Bjørn Andersen
CEO

Jens H. Lund
CFO

Board of Directors:

Kurt K. Larsen
Chairman

Thomas Plenborg
Deputy Chairman

Annette Sadolin

Birgit W. Nørgaard

Robert S. Kledal

Jørgen Møller