

HALF-YEAR 2022 RESULTS

DSV A/S

Conference call

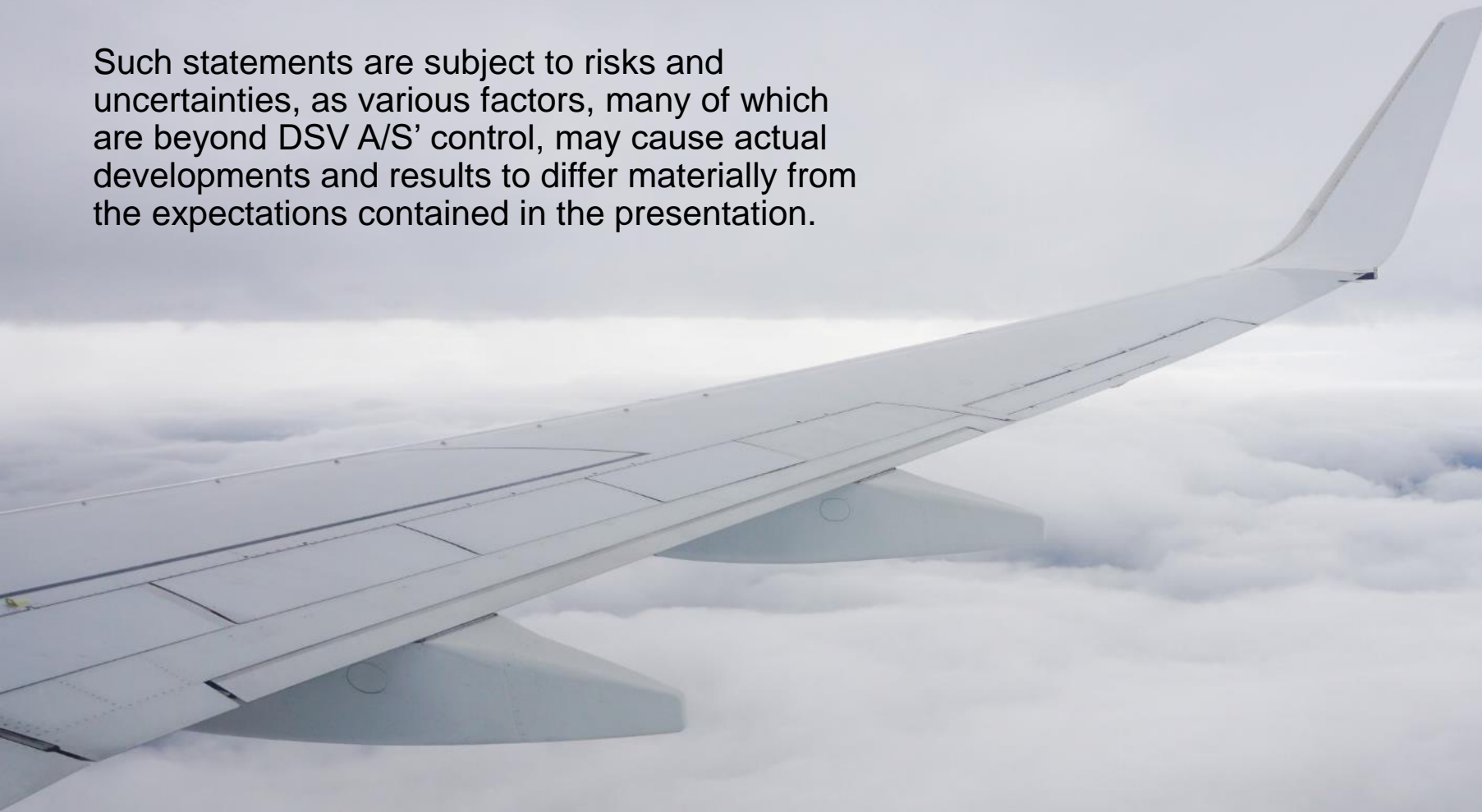
26 July 2022, 11:00 AM CEST



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 Business segments

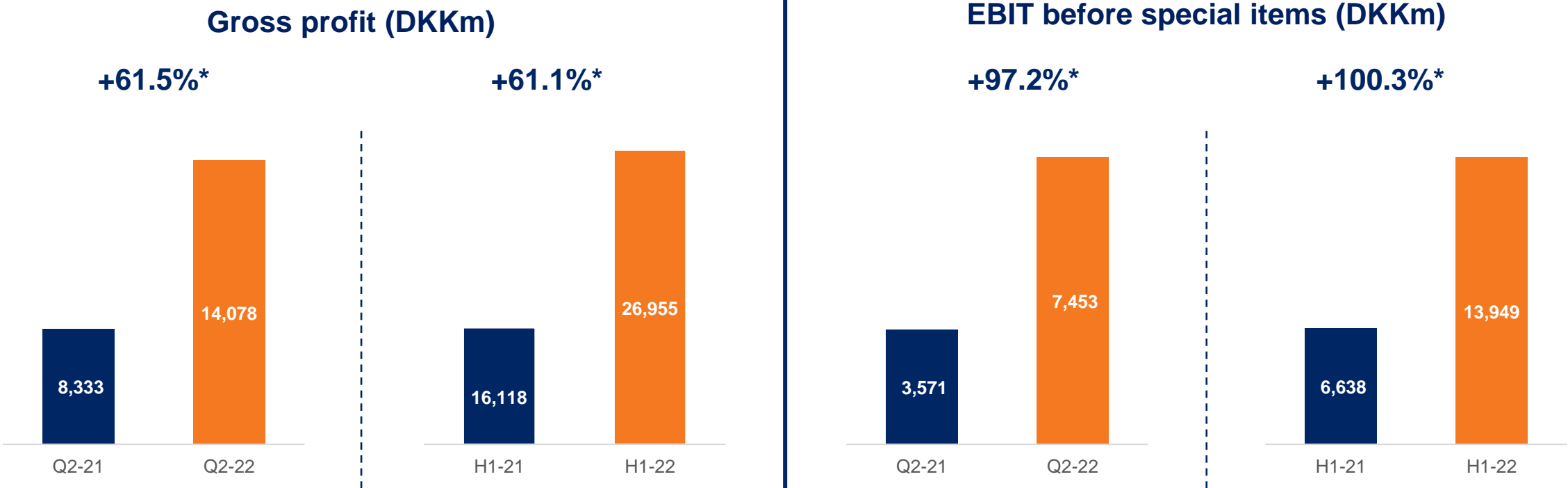
3 Financial review

4 Upgraded outlook for 2022

5 Q&A

Highlights H1 2022

- Solid performance across the organisation – demand has softened but congestion remains an issue.
- The successful GIL integration is now close to complete.
- Strong cash flow and new three-month **DKK 7 billion** share buyback programme.
- 2022 EBIT guidance upgraded to **DKK 23 - 25 billion** (previously DKK 21 - 23 billion).



*) Growth rates are including M&A and in constant currencies.



Air & Sea

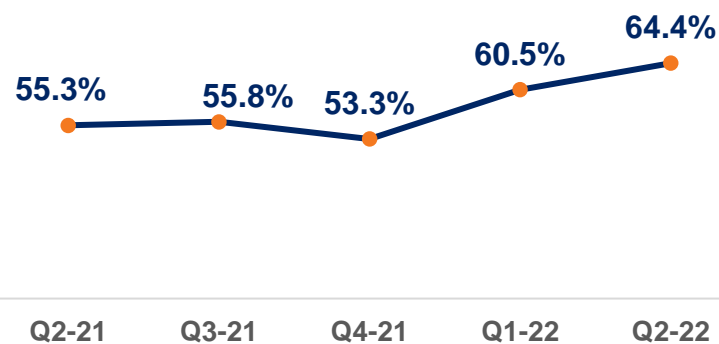
(DKKm)		Q2 2022	Q2 2021	Growth*	H1 2022	H1 2021	Growth*
Gross profit Air		5,052	2,897	64.8%	9,747	5,659	64.4%
Gross profit Sea		4,523	2,245	88.8%	8,465	4,271	87.8%
Total gross profit		9,575	5,142	75.3%	18,212	9,930	74.5%
EBIT		6,163	2,843	102.7%	11,387	5,236	105.3%

*) Growth rates are in constant currencies and including M&A.

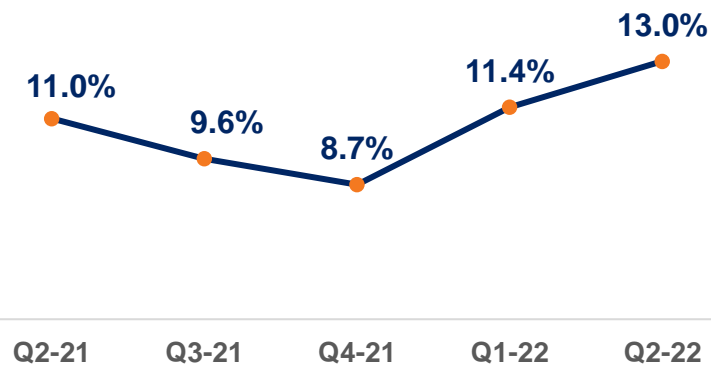
Management commentary

- EBIT growth driven by higher gross profit and record-high conversion ratio.
- GIL contributed positively to the growth.
- Strong rise in yields for both air and sea freight, driven by the general market situation, cost inflation, currency rates and scale benefits from the GIL integration.

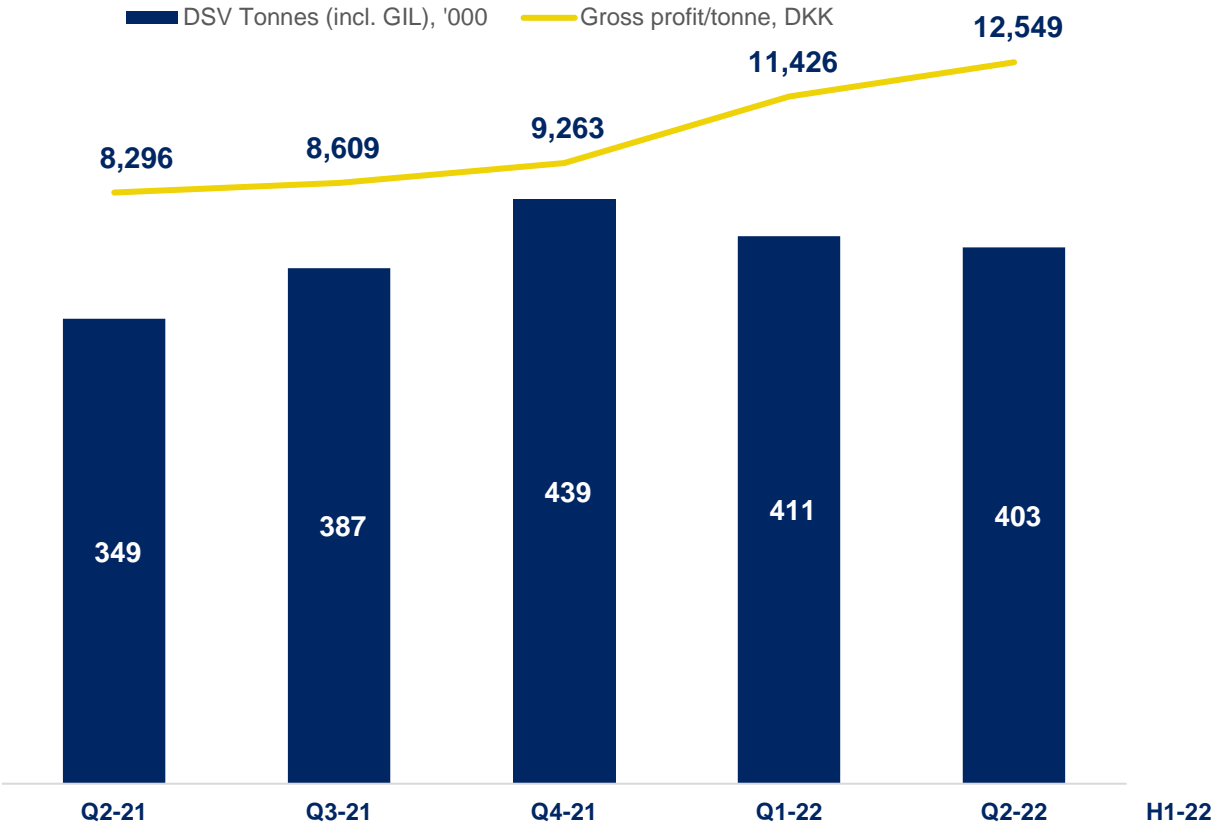
Conversion ratio



Operating margin



Air freight Q2 2022



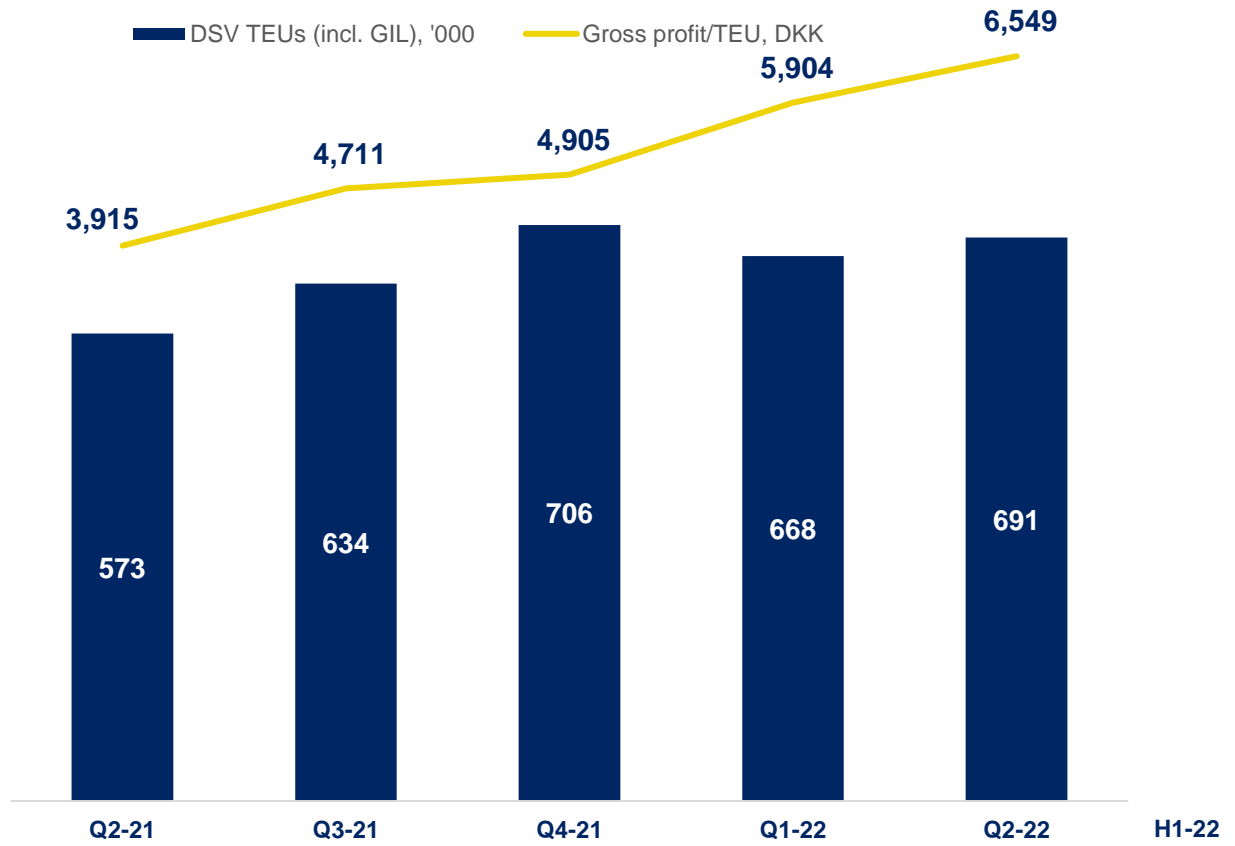
Volume growth air

	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	H1-22
DSV including M&A	26%	29%	35%	22%	15%	19%
DSV organic (estimate)	26%	16%	12%	2%	(4%)	(1%)
Market estimate	25-30%	15-20%	10-15%	0%	(7-10%)	(3-6%)

Management commentary

- Excluding GIL impact, DSV's volumes declined approx. 1% in H1-22 and were above the estimated market growth.
- Negative market growth in Q2 2022, impacted by Covid-19 lockdowns in China and weakened demand.
- Recovery of passenger travel has increased available air cargo capacity, especially on the trans-Atlantic routes. This has limited impact to/from Asia.
- Freight rates have declined but remain elevated as a result of record-high fuel prices.

Sea freight Q2 2022



Volume growth sea

	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	H1-22
DSV including M&A	12%	12%	29%	15%	20%	18%
DSV organic (estimate)	12%	0%	1%	(7%)	(5%)	(6%)
Market estimate	10-15%	0%	(3-0%)	(3-7%)	(3-5%)	(3-6%)

Management commentary

- Negative market growth in H1-22, due to a mix of congestion, Covid-19 lockdowns in China and weakened demand.
- Excluding estimated GIL impact, volumes declined approx. 6% in Q2-22 and were on level with the market.
- Our volumes were impacted by discontinued low-margin business and GIL integration.
- Congestion has eased on US West Coast but worsened on East Coast and in Northern Europe.

Road

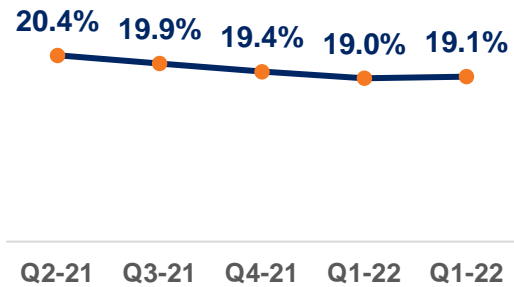
(DKKm)		Q2 2022	Q2 2021	Growth*	H1 2022	H1 2021	Growth*
Revenue		10,835	8,663	23.9%	21,023	16,719	24.9%
Gross profit		2,074	1,768	16.6%	4,012	3,425	16.6%
EBIT		566	476	18.2%	1,064	879	20.4%

*) Growth rates are in constant currencies and including M&A.

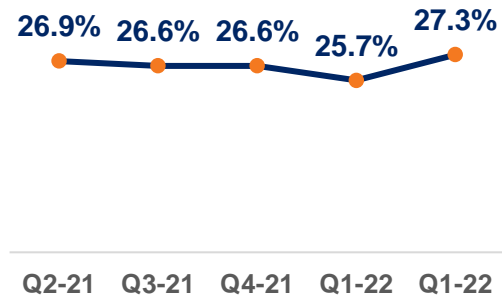
Management commentary

- Growth in GP, driven by higher activity levels. The division is gaining market share.
- Continued strong focus on operational excellence.
- Tight capacity and increasing rates due to EU mobility package, fuel prices and general cost inflation.
- Decline in business-to-consumer shipments compared to the high activity levels in 2021.

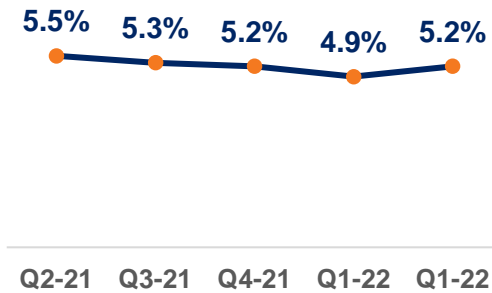
Gross margin



Conversion ratio



Operating margin



Solutions

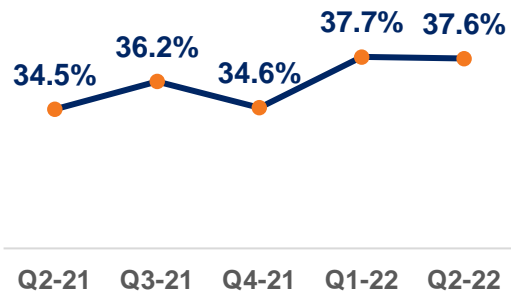
(DKKm)		Q2 2022	Q2 2021	Growth*	H1 2022	H1 2021	Growth*
Revenue		6,182	3,997	49.3%	12,344	7,606	57.4%
Gross profit		2,324	1,377	62.9%	4,646	2,725	65.3%
EBIT		753	278	163.3%	1,542	541	178.8%

*) Growth rates are in constant currencies and including M&A.

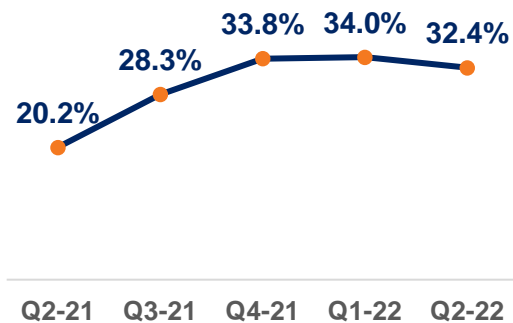
Management commentary

- Significant EBIT growth driven by strong gross profit growth and continued focus on operational excellence.
- Strong EBIT contribution from GIL activities.
- The division continues to gain market share in a structural high growth market.
- Clear benefits from the continued consolidation of IT systems and warehouses into large, multi-client campuses.

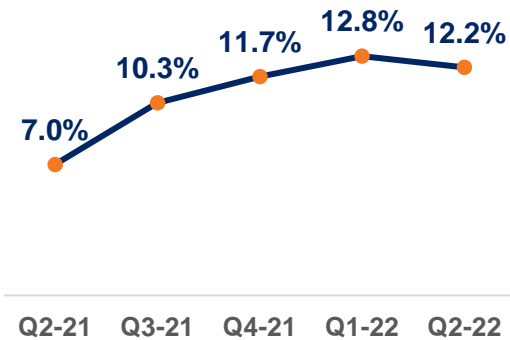
Gross margin



Conversion ratio



Operating margin



P&L H1 2022

(DKKm)	Q2 2022	Q2 2021	Growth*	H1 2022	H1 2021	Growth*
Headlines						
Revenue	62,749	37,831	58.9%	123,874	71,447	67.6%
Gross profit	14,078	8,333	61.5%	26,955	16,118	61.1%
EBIT before special items	7,453	3,571	97.2%	13,949	6,638	100.3%
Profit for the period	5,070	2,527		9,456	4,856	
P&L items						
Cost base (staff, other ext., depreciations)	6,625	4,762		13,006	9,480	
Special items, costs	257	-		661	-	
Financial items, FX adj. (non-cash, intra-group)	264	76		293	(82)	
Financial items, other	252	177		552	356	
KPIs						
Gross margin (%)	22.4	22.0		21.8	22.6	
Operating margin (%)	11.9	9.4		11.3	9.3	
Conversion ratio (%)	52.9	42.9		51.7	41.2	
Effective tax rate (%)	24.1	23.8		24.0	23.7	
Employees (end of period)				76,071	59,871	
Diluted adjusted EPS 12 months				71.8	37.1	93.5%

Management commentary

- GIL was not included in 2021 comparative figures.
- Revenue growth, mainly driven by higher average freight rates and GIL addition.
- Strong growth in absolute gross profit, supported by general market conditions.
- Conversion ratio at new record level, despite inflationary pressure on cost base.
- Foreign exchange adjustments on intra-group loans were impacted by the integration process. No cash impact.
- EPS growth of 93.5%.

*) Growth rates are in constant currencies and including M&A.

Cash flow H1 2022

(DKKm)	H1 2022	H1 2021	Variance
EBITDA before special items	16,377	8,561	7,816
Change in working capital	(957)	(2,509)	1,552
Tax, interest, change in provisions, etc.	(2,577)	(1,236)	(1,341)
Special items	(508)	(325)	(183)
Cash flow from operating activities	12,335	4,491	7,844
Cash flow from investing activities	(341)	(711)	370
Free cash flow	11,994	3,780	8,214
Adjusted free cash flow:			
Free cash flow	11,994	3,780	
Acquisition of subsidiaries and activities reversed	-	193	
Special items reversed	508	325	
Repayment of lease liabilities	(1,814)	(1,481)	
Adjusted free cash flow	10,688	2,817	7,871
KPIs			
Net working capital (NWC)	8,846	5,144	
NWC in % of revenue (pro-forma)	3.6	3.9	
Net interest-bearing debt (NIBD)	27,868	23,934	
Gearing ratio (NIBD/EBITDA before special items)	1.0	1.5	
ROIC before tax (%)	27.2	17.8	
ROIC before tax (excl. goodwill and customer relationships, %)	103.3	66.9	

Management commentary

- Significant growth in adjusted free cash flow driven by earnings growth and better NWC performance compared to H1-21.
- Absolute NWC remains high due to elevated freight rates. We see no increase in overdue receivables.
- Gearing ratio at 1.0 and new share buyback programme initiated.

Share buyback and dividend

Management commentary

- New share buyback programme of DKK 7.0 billion starting 26 July 2022 and running until 24 October 2022.
- 7.2 million shares bought back in H1 2022 at an average price of DKK 1,157.
- On 26 July 2022, the portfolio of treasury shares was 7.2 million shares.

Announced allocations to shareholders 2022 (DKKm)	Q1-2022	Q2-2022	Q3-2022	Q4-2022	Total 2022 announced
Dividend (DKK 5.50 per share)	1,320				1,320
Share buyback – rest of 2021 programme	1,163				1,163
Share buyback – 2.5 billion	2,383	117			2,500
Share buyback – 6.0 billion (partly in Q3)		4,652	954		5,606
Share buyback – 7.0 billion (partly in Q4)			5,300	1,700	7,000
Total announced allocations	4,866	4,769	6,254	1,700	17,589

Upgraded outlook 2022

(DKKm)	Updated outlook	Previous outlook	Actual 2021
EBIT before special items	23,000-25,000	21,000-23,000	16,223
Effective tax rate	23.0%	23.0%	24.5%

Main assumptions

- Upgrade is based on strong H1-22 and our expectations for the remainder of the year.
- Global GDP growth in the level of 2-3% for 2022. The demand for air and sea freight transport is expected to remain soft for the rest of the year.
- A gradual easing of supply chain constraints during H2 2022 will lead to a decline in gross profit yields for air and sea.
- EBIT impact from GIL of at least DKK 2,550 million and integration costs of up to DKK 1,000 million in 2022.
- Uncertainty regarding the macro environment remains elevated and changes to the outlook may occur.

An aerial photograph of a long line of trucks on a road that curves through a dense forest. The scene is captured in a blue-tinted, hazy atmosphere, likely at dawn or dusk. The trucks are arranged in a single file, stretching from the foreground into the distance. The forest is thick and green, with the road cutting through it.

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P&L details

DSV Group

(DKKm)	FY 2018	FY 2019	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	YTD 2022
Revenue	79,053	94,701	115,932	33,616	37,831	49,557	61,302	182,306	61,125	62,749	123,874
Direct costs	61,564	70,947	87,398	25,831	29,498	39,734	49,628	144,691	48,248	48,671	96,919
Gross profit	17,489	23,754	28,534	7,785	8,333	9,823	11,674	37,615	12,877	14,078	26,955
Other external expenses	3,036	3,133	3,291	849	818	1,030	1,476	4,173	1,289	1,338	2,627
Staff costs	8,241	10,329	11,684	2,920	2,970	3,277	3,858	13,025	3,912	4,039	7,951
EBITDA before special items	6,212	10,292	13,559	4,016	4,545	5,516	6,340	20,417	7,676	8,701	16,377
Depreciation of right-of-use assets	-	2,734	2,990	752	730	771	891	3,144	892	912	1,804
Amortisation and depreciation of owned assets	762	904	1,049	197	244	273	336	1,050	288	336	624
EBIT before special items	5,450	6,654	9,520	3,067	3,571	4,472	5,113	16,223	6,496	7,453	13,949
Special Items, net costs	-	800	2,164	-	-	154	324	478	404	257	661
Financial income	-	131	254	208	(16)	119	(105)	206	67	76	143
Financial expenses - lease liabilities	-	383	434	119	108	125	143	495	162	175	337
Financial expenses	249	606	1,549	110	129	159	154	552	234	417	651
Profit before tax	5,201	4,996	5,627	3,046	3,318	4,153	4,387	14,904	5,763	6,680	12,443
Tax on profit for the period	1,213	1,290	1,369	717	791	992	1,150	3,650	1,377	1,610	2,987
Profit for the period	3,988	3,706	4,258	2,329	2,527	3,161	3,237	11,254	4,386	5,070	9,456
<i>Gross margin, %</i>	22.1	25.1	24.6	23.2	22.0	19.8	19.0	20.6	21.1	22.4	21.8
<i>Operating margin, %</i>	6.9	7.0	8.2	9.1	9.4	9.0	8.3	8.9	10.6	11.9	11.3
<i>Conversion ratio, %</i>	31.2	28.0	33.4	39.4	42.9	45.5	43.8	43.1	50.4	52.9	51.7
<i>Effective tax rate, %</i>	23.3	25.8	24.3	23.5	23.8	23.9	26.2	24.5	23.9	24.1	24.0
<i>Blue-collar costs (included in direct costs)</i>	4,791	5,299	5,274	1,405	1,457	1,553	1,865	6,280	1,802	1,882	3,684
Number of full-time employees	47,394	61,216	56,621	57,642	59,871	79,325	77,958	77,958	77,358	76,071	76,071

P&L details

Air & Sea

(DKKm)	FY 2018	FY 2019	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	YTD 2022
Divisional revenue	36,972	51,151	73,689	22,924	25,948	36,861	46,168	131,901	45,887	47,282	93,169
Direct costs	27,779	38,634	56,780	18,136	20,806	30,547	38,643	108,132	37,250	37,707	74,957
Gross profit	9,193	12,517	16,909	4,788	5,142	6,314	7,525	23,769	8,637	9,575	18,212
Other external expenses	1,854	2,267	2,870	753	663	814	1,136	3,366	1,076	1,028	2,104
Staff costs	3,560	5,093	6,048	1,445	1,435	1,698	2,020	6,598	2,033	2,082	4,115
EBITDA before special items	3,779	5,157	7,991	2,590	3,044	3,802	4,369	13,805	5,528	6,465	11,993
Depreciation of right-of-use assets	-	484	679	136	144	189	239	708	220	216	436
Amortisation and depreciation of owned assets	86	167	286	61	57	92	119	329	84	86	170
EBIT before special items	3,693	4,506	7,026	2,393	2,843	3,521	4,011	12,768	5,224	6,163	11,387
<i>Gross margin, %</i>	<i>24.9</i>	<i>24.5</i>	<i>22.9</i>	<i>20.9</i>	<i>19.8</i>	<i>17.1</i>	<i>16.3</i>	<i>18.0</i>	<i>18.8</i>	<i>20.3</i>	<i>19.5</i>
<i>Operating margin, %</i>	<i>10.0</i>	<i>8.8</i>	<i>9.5</i>	<i>10.4</i>	<i>11.0</i>	<i>9.6</i>	<i>8.7</i>	<i>9.7</i>	<i>11.4</i>	<i>13.0</i>	<i>12.2</i>
<i>Conversion ratio, %</i>	<i>40.2</i>	<i>36.0</i>	<i>41.6</i>	<i>50.0</i>	<i>55.3</i>	<i>55.8</i>	<i>53.3</i>	<i>53.7</i>	<i>60.5</i>	<i>64.4</i>	<i>62.5</i>
Number of full-time employees	12,130	21,516	18,008	17,999	18,067	25,742	24,675	24,675	23,700	23,292	23,292
<i>Air</i>											
Revenue, DKKm	18,892	27,134	44,756	12,975	14,197	18,399	25,275	70,846	24,207	25,032	49,239
Gross profit, DKKm	4,627	6,594	10,275	2,762	2,897	3,329	4,063	13,051	4,695	5,052	9,747
Air freight, tonnes	689,045	1,071,266	1,272,405	336,307	349,210	386,702	438,614	1,510,833	410,911	402,594	813,505
GP/tonne, DKK	6,715	6,155	8,075	8,213	8,296	8,609	9,263	8,638	11,426	12,549	11,981
<i>Sea</i>											
Revenue, DKKm	18,080	24,017	28,933	9,949	11,751	18,462	20,893	61,055	21,680	22,250	43,930
Gross profit, DKKm	4,566	5,923	6,634	2,026	2,245	2,985	3,462	10,718	3,942	4,523	8,465
Sea freight, TEUs	1,442,348	1,907,126	2,204,902	581,019	573,385	633,690	705,857	2,493,951	667,653	690,621	1,358,274
GP/TEU, DKK	3,166	3,106	3,009	3,487	3,915	4,711	4,905	4,298	5,904	6,549	6,232

P&L details

Road

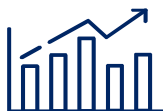
(DKKm)	FY 2018	FY 2019	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	YTD 2022
Divisional revenue	31,243	31,621	30,395	8,056	8,663	8,783	9,914	35,416	10,188	10,835	21,023
Direct costs	25,935	25,465	24,257	6,399	6,895	7,038	7,989	28,321	8,250	8,761	17,011
Gross profit	5,308	6,156	6,138	1,657	1,768	1,745	1,925	7,095	1,938	2,074	4,012
Other external expenses	1,326	1,060	1,021	258	272	282	310	1,122	341	373	714
Staff costs	2,706	2,864	2,799	742	779	761	867	3,149	871	904	1,775
EBITDA before special items	1,276	2,232	2,318	657	717	702	748	2,824	726	797	1,523
Depreciation of right-of-use assets	-	862	828	236	220	196	206	858	205	202	407
Amortisation and depreciation of owned assets	129	119	100	18	21	41	29	109	23	29	52
EBIT before special items	1,147	1,251	1,390	403	476	465	513	1,857	498	566	1,064
<i>Gross margin, %</i>	17.0	19.5	20.2	20.6	20.4	19.9	19.4	20.0	19.0	19.1	19.1
<i>Operating margin, %</i>	3.7	4.0	4.6	5.0	5.5	5.3	5.2	5.2	4.9	5.2	5.1
<i>Conversion ratio, %</i>	21.6	20.3	22.6	24.3	26.9	26.6	26.6	26.2	25.7	27.3	26.5
Number of full-time employees	12,850	13,644	14,003	14,222	15,503	16,942	16,888	16,888	17,001	16,484	16,484

Solutions

Divisional revenue	13,229	14,390	14,608	3,609	3,997	4,739	6,389	18,734	6,162	6,182	12,344
Direct costs	10,194	9,421	9,239	2,261	2,620	3,022	4,178	12,081	3,840	3,858	7,698
Gross profit	3,035	4,969	5,369	1,348	1,377	1,717	2,211	6,653	2,322	2,324	4,646
Other external expenses	955	1,088	1,089	281	297	348	412	1,338	461	405	828
Staff costs	1,141	1,306	1,449	377	377	418	492	1,664	525	552	1,077
EBITDA before special items	939	2,575	2,831	690	703	951	1,307	3,651	1,374	1,367	2,741
Depreciation of right-of-use assets	-	1,326	1,422	369	359	378	440	1,546	461	486	947
Amortisation and depreciation of owned assets	230	236	248	58	66	87	119	330	124	128	252
EBIT before special items	709	1,013	1,161	263	278	486	748	1,775	789	753	1,542
<i>Gross margin, %</i>	22.9	34.5	36.8	37.4	34.5	36.2	34.6	35.5	37.7	37.6	37.6
<i>Operating margin, %</i>	5.4	7.0	7.9	7.3	7.0	10.3	11.7	9.5	12.8	12.2	12.5
<i>Conversion ratio, %</i>	23.4	20.4	21.6	19.5	20.2	28.3	33.8	26.7	34.0	32.4	33.2
Number of full-time employees	20,025	22,777	21,478	22,188	22,814	32,007	31,866	31,866	31,845	31,730	31,730

Investor Relations

Share information



DSV A/S is listed on the Copenhagen stock exchange under the symbol 'DSV'.

For further company information, please visit: www.dsv.com

Financial calendar 2022



25 Oct. 2022 Interim Financial Report, Third Quarter 2022

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