

Q1 2022 RESULTS

DSV A/S

Conference call

27 April 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 Update on Agility
GIL integration

3 Business
segments

4 Financial
review

5 Upgraded
outlook for 2022

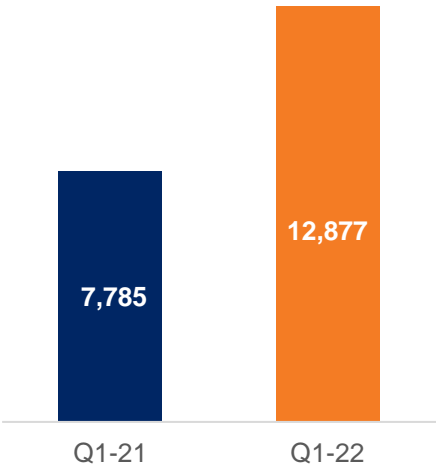
6 Q&A

Highlights Q1 2022

- Earnings growth across all divisions.
- 2022 EBIT guidance upgraded to **DKK 21,000 - 23,000 million**.
- Strong cash flow and new three-months **DKK 6 billion** share buyback programme launched.
- The Ukraine/Russia crisis is adding to the disruptions of global supply chains.
- Exit from Russia has no material direct financial impact for DSV.

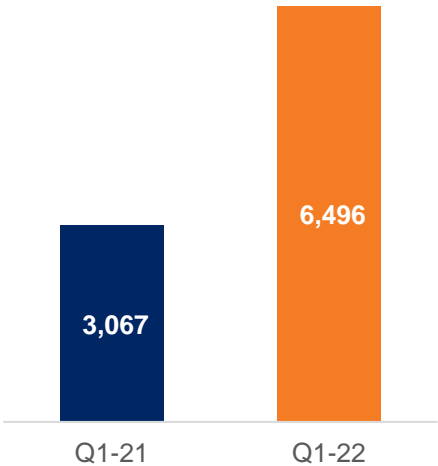
Gross profit (DKKm)

+60.7%*



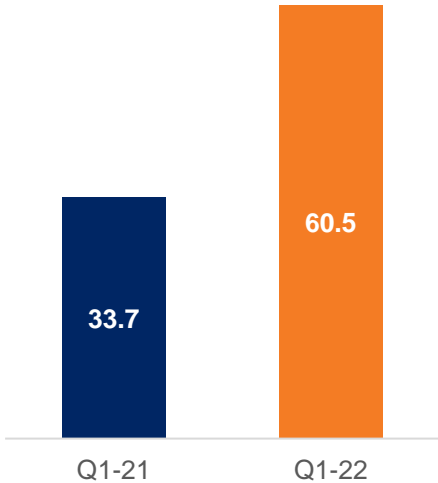
EBIT before special items (DKKm)

+103.9%*



EPS for the last 12 months**

+79.5%



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

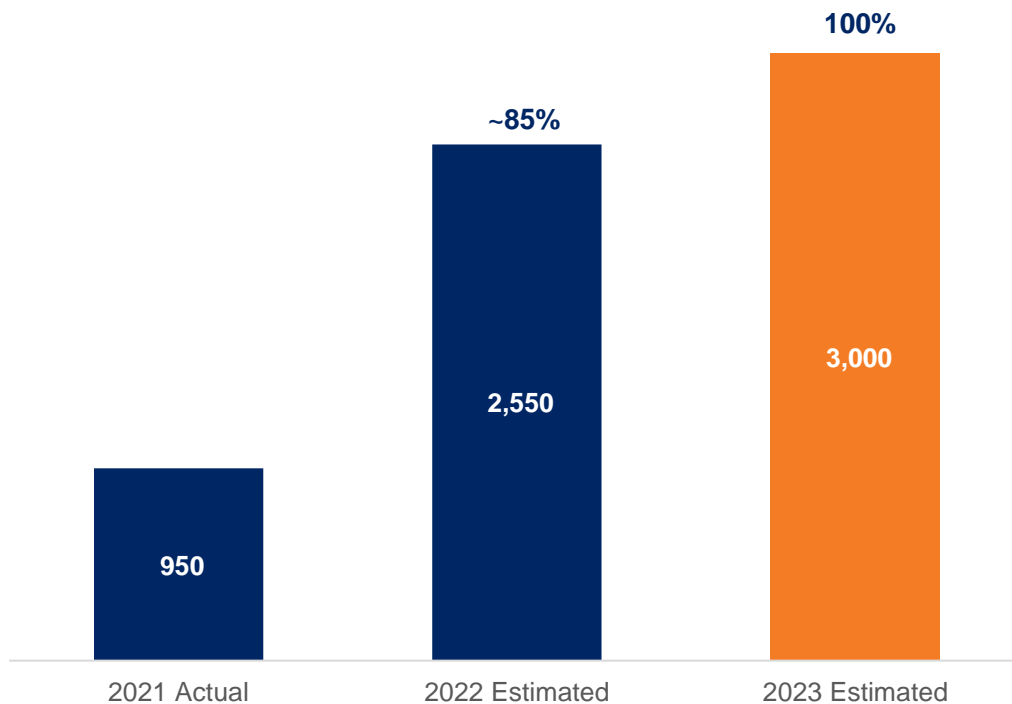
**) Diluted adjusted earnings per share for the last 12 months.

Update on Agility GIL integration

On track



Estimated EBIT impact of GIL (DKKm)



Integration and EBIT impact

- Once fully integrated, GIL is expected to contribute **at least DKK 3,000 million** to the combined EBIT before special items on annual basis.
- **All major GIL countries** have been onboarded to DSV's platforms.
- We expect to complete the integration programme in Q3-22.

Integration cost

- Transaction and integration cost was **DKK 404 million** in Q1 2022.
- Transaction and integration costs are expected to total around **DKK 1,000 million** in 2022.

Air & Sea

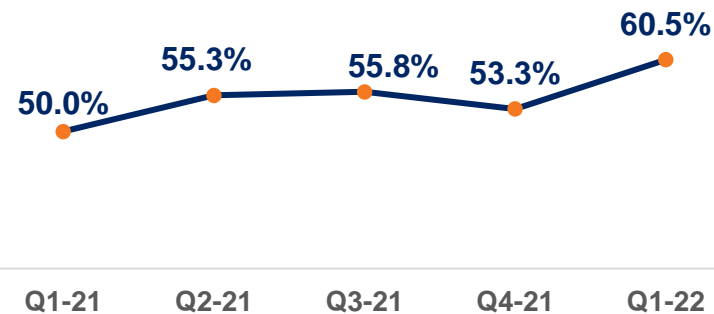
(DKKm)		Q1 2022	Q1 2021	Growth*
Revenue		45,887	22,924	94.1%
Gross profit Air		4,695	2,762	64.0%
Gross profit Sea		3,942	2,026	86.7%
Total gross profit		8,637	4,788	73.6%
EBIT		5,224	2,393	108.5%

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

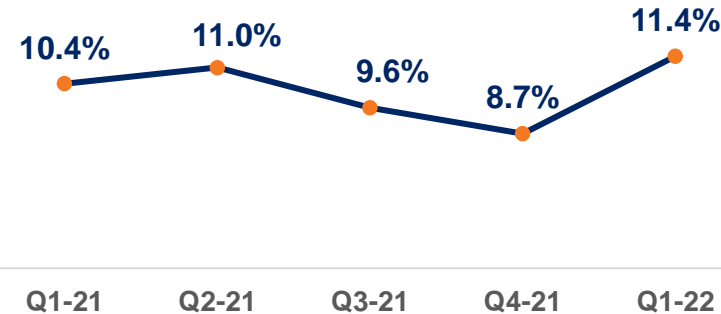
Management commentary

- Significant EBIT growth driven by strong gross profit growth and continued cost discipline.
- GIL contributed positively to the growth.
- Conversion ratio at a new record level.
- Disruptions continue to impact global logistics markets.

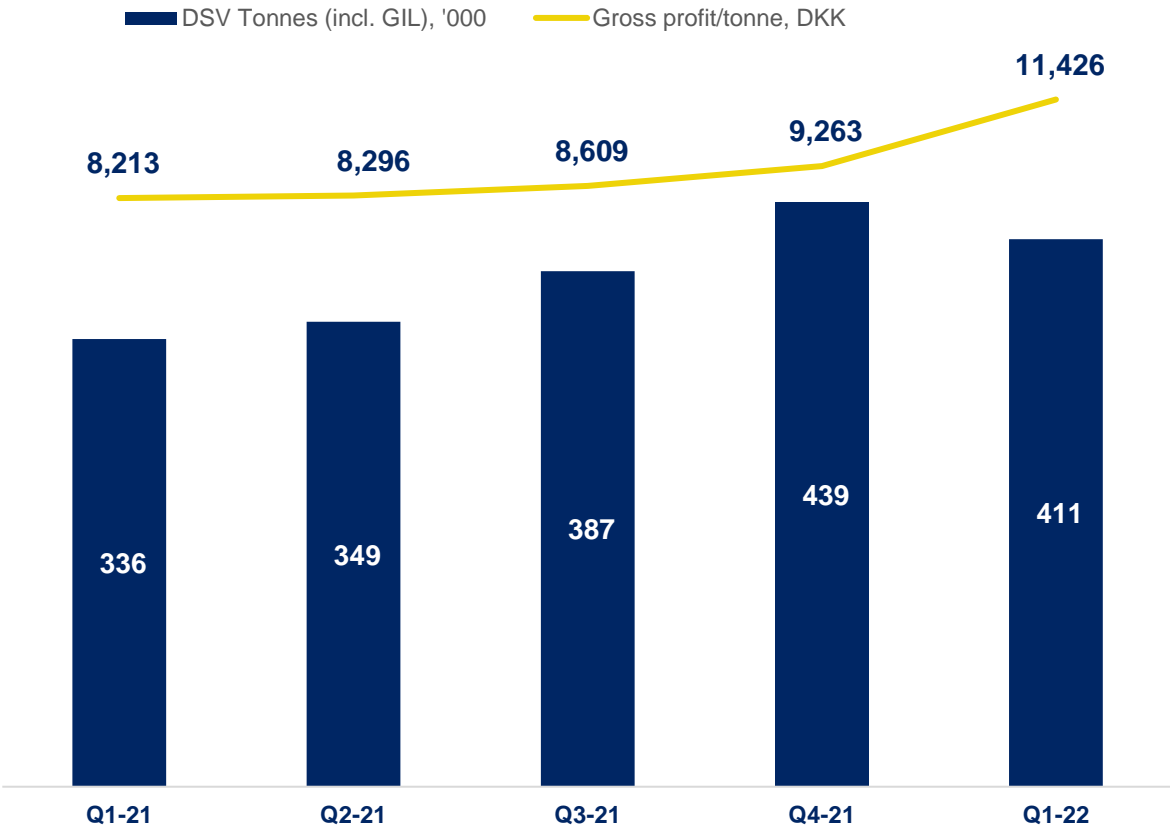
Conversion ratio



Operating margin



Air freight Q1 2022



Volume growth air

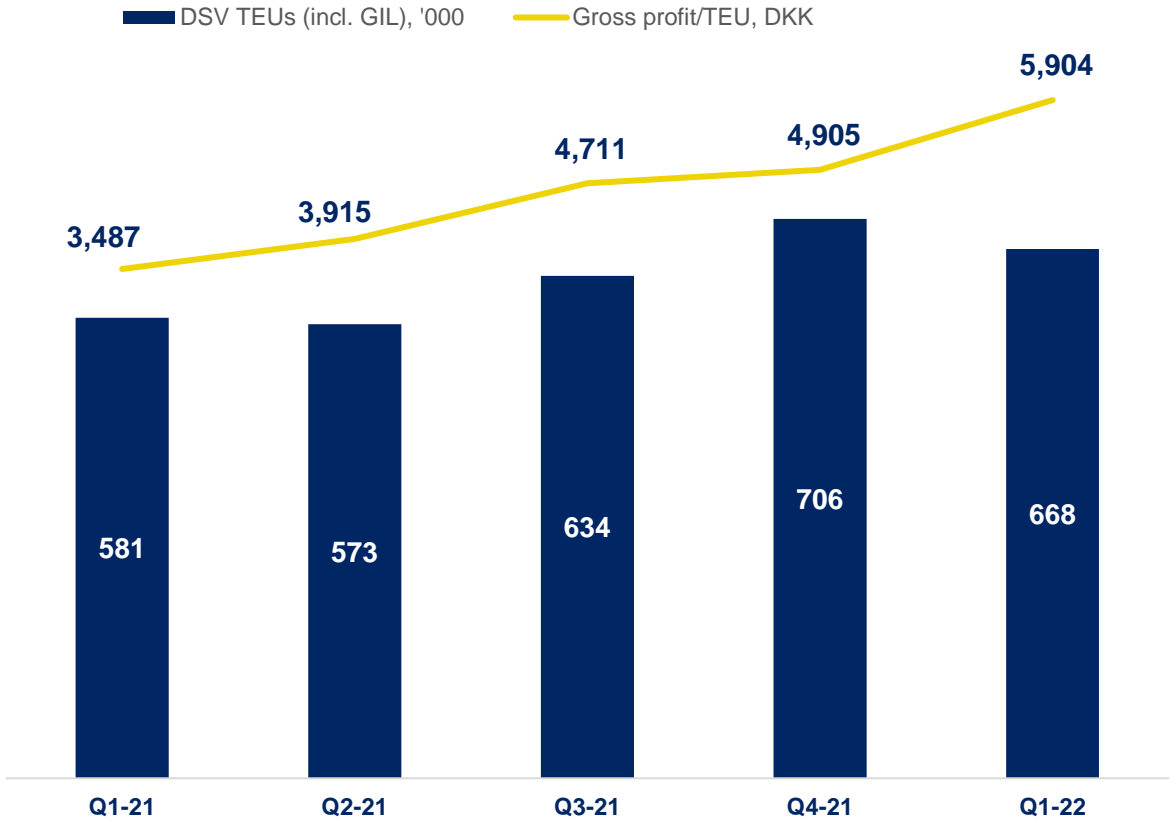
	Q1-21	Q2-21	Q3-21	Q4-21	Q1-22
DSV (including M&A)*	(2%)	26%	29%	35%	22%
Market estimate	5-7%	25-30%	15-20%	10-15%	0%

*) Air freight growth in Q1-21 and Q2-21 is adjusted for discontinued business

Management commentary

- Excluding GIL impact, DSV's volumes grew 2% and were slightly above the market for the quarter.
- The closure of Russia air space has caused further capacity challenges on the Asia-Europe routes.
- Gross profit yields benefitted from the general market situation and scale benefits from the GIL integration.

Sea freight Q1 2022



Volume growth sea

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

Management commentary

- Negative market growth in Q1-22, due to a mix of congestion, Covid-19 lockdowns in China and lower demand.
- Excluding estimated GIL impact, volumes declined approx. 7% in Q1-22 and were on level with the market.
- Our volumes were impacted by discontinued low-margin business and GIL integration.
- Gross profit yields were positively impacted by the general market situation, scale benefits from integration and improved cargo mix.
- Growth in LCL business also impacted yields positively.

Road

(DKKm)		Q1 2022	Q1 2021	Growth*
Revenue		10,188	8,056	25.9%
Gross profit		1,938	1,657	16.5%
EBIT		498	403	23.3%

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

Management commentary

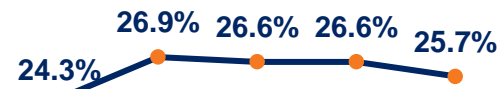
- EBIT growth driven by higher activity and continued cost discipline.
- DSV Road is gaining market share and benefits from the strong network and procurement setup.
- Market is characterised by high activity and tight capacity/increasing rates due to EU mobility package, Ukraine crisis and diesel prices.
- Road Way Forward project is progressing according to plan. Benefits from enhanced groupage network are starting to materialise.

Gross margin



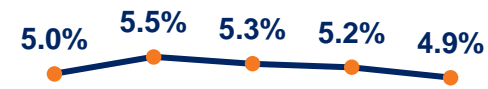
Q1-21 Q2-21 Q3-21 Q4-21 Q1-22

Conversion ratio





Q1-21 Q2-21 Q3-21 Q4-21 Q1-22

Operating margin



Q1-21 Q2-21 Q3-21 Q4-21 Q1-22

Solutions

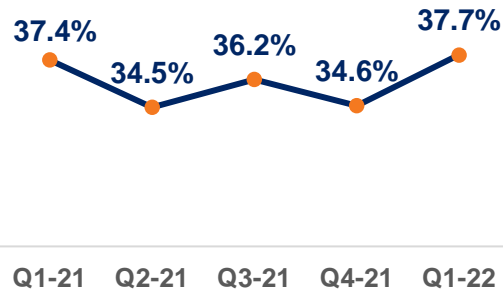
(DKKm)		Q1 2022	Q1 2021	Growth*
Revenue		6,162	3,609	66.5%
Gross profit		2,322	1,348	67.9%
EBIT		789	263	194.4%

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

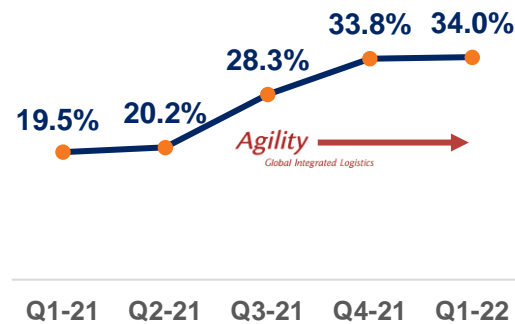
Management commentary

- Significant EBIT growth in Q1-22 driven by strong gross profit growth and continued cost discipline.
- Strong EBIT contribution from GIL activities.
- The division is gaining market share in a market with structural high growth.
- High utilisation of capacity and continued consolidation into large, multi-client campuses.
- We continue to invest in automation, which supports growth in several segments – especially e-commerce.

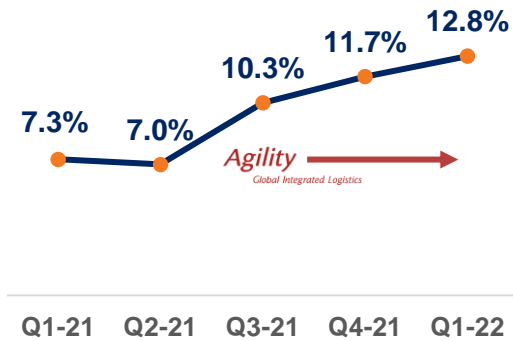
Gross margin



Conversion ratio



Operating margin



P&L Q1 2022

(DKKm)	Q1 2022	Q1 2021	Growth*
Headlines			
Revenue	61,125	33,616	77.5%
Gross profit	12,877	7,785	60.7%
EBIT before special items	6,496	3,067	103.9%
Profit for the period	4,386	2,329	
P&L items			
Cost base (staff, other ext., depreciations)	6,381	4,718	
Special items, costs	404	-	
Financial items, FX adj (non-cash, intra-group)	29	(158)	
Financial items, other	300	179	
KPIs			
Gross margin (%)	21.1	23.2	
Operating margin (%)	10.6	9.1	
Conversion ratio (%)	50.4	39.4	
Effective tax rate (%)	23.9	23.5	
Employees (end of period)	77,358	57,642	
Diluted adjusted EPS 12 months	60.5	33.7	79.5%

Management commentary

- GIL was not included in Q1-21 comparative figures.
- Revenue growth driven by GIL, higher activity and higher freight rates.
- Strong growth in absolute gross profit. Gross margin declined due to high freight rates.
- Conversion ratio at new record level. Cost inflation is to a large extent passed on or compensated by productivity gains.
- Increase in number of employees mainly related to M&A.

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

Cash flow Q1 2022

(DKKm)	Q1 2022	Q1 2021	Variance
EBITDA before special items	7,676	4,016	3,660
Change in working capital	(1,145)	(798)	(607)
Tax, interest, change in provisions, etc.	(833)	(426)	(147)
Special items	(397)	(189)	(208)
Cash flow from operating activities	5,301	2,603	2,698
Cash flow from investing activities	49	(357)	406
Free cash flow	5,350	2,246	3,104
Adjusted free cash flow:			
Free cash flow	5,350	2,246	
Acquisition of subsidiaries and activities reversed	-	-	
Special items reversed	397	189	
Repayment of lease liabilities	(889)	(745)	
Adjusted free cash flow	4,858	1,690	3,168
KPIs			
Net working capital (NWC)	9,051	3,646	
NWC in % of revenue (pro-forma)	3.7	3.0	
Net interest-bearing debt (NIBD)	29,621	21,992	
Gearing ratio (NIBD/EBITDA before special items)	1.2	1.5	
ROIC before tax (%)	23.1	16.4	
ROIC before tax (excl. goodwill and customer relationships, %)	88.2	62.9	

Management commentary

- 87% growth in adjusted free cash flow for Q1-22, driven by earnings growth.
- Increase in NWC due to high freight rates. No increase in overdue receivables.
- Cash flow from investing activities was impacted by property disposals.
- Gearing ratio at 1.2 and new share buy back programme initiated.
- EUR 600 million corporate bonds with a duration of 8 years issued in Q1-22.

Share buyback and dividend

Management commentary

- New share buyback programme of DKK 6.0 billion starting 27 April 2022 and running until 25 July 2022.
- 2.7 million shares bought back in Q1 2022 at an average price of DKK 1,293.
- Share capital reduction of 6.0 million shares as of 20 April 2022 (cancellation of own shares). New share capital: 234 million.
- On 27 April 2022, the portfolio of treasury shares was 2.1 million shares.

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)		4,400	1,600		6,000
Total announced allocations	4,866	4,517	1,600		10,983

Upgraded outlook 2022

(DKKm)	Updated outlook 2022	Previous outlook 2022	Actual 2021
EBIT before special items	21,000-23,000	18,000-20,000	16,223
Effective tax rate	23.0%	23.0%	24.5%

Main assumptions

- Upgrade based on strong Q1 and our expectations for the remainder of the year.
- Global economic growth around 2-3% in 2022 (previously 4%).
- Uncertainty related to the global economy has increased; however, we expect that continued disruptions of global supply chains will support demand for our services.
- Additional EBIT impact from GIL of at least 1,600 million in 2022.
- Special items (integration costs) is expected to be approx. 1,000 million in 2022.
- Currency exchange rates will remain at current level.

Please remember to sign up for Capital Markets Day 2022: [visit investor.dsv.com/capital-markets-days](https://investor.dsv.com/capital-markets-days)

31 May 2022	Capital Markets Day 2022
26 Jul. 2022	Interim Financial Report, Second Quarter 2022
25 Oct. 2022	Interim Financial Report, Third Quarter 2022

We will update on DSV's overall strategy and development including deep dives into selected parts of our operations.

The event will be held physically at our headquarters in Hedehusene, Denmark, and simultaneously streamed online.

To attend the teleconference, please dial one of the following numbers:

Danish participants

+45 78 76 84 90

International participants

+44 (0) 203 769 6819

US participants

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PIN 88 26 86

To ask questions press "*"



P&L details

DSV Group

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

P&L details

Air & Sea

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

P&L details

Road

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

Solutions

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

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



31 May 2022 Capital Markets Day 2022

26 Jul. 2022 Interim Financial Report, H1 2022

25 Oct. 2022 Interim Financial Report, Third Quarter 2022

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