

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR
INTO AUSTRALIA OR JAPAN OR IN OR INTO ANY OTHER
JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A
VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

ACHIEVING MORE
TOGETHER
DSV / PANALPINA

DSV completes acquisition of Panalpina

Conference call 19 August 2019, 9.30 a.m. CEST



Disclaimer

Forward-looking statements

This announcement contains forward-looking statements that reflect DSV's current expectations and views of future events. Some of these forward-looking statements can be identified by terms and phrases such as "estimate," "expect," "target," "plan," "project," "will" and similar expressions. These forward-looking statements include statements relating to: the expected characteristics of the combined company; expected ownership of the combined company by EGS; expected financial results and characteristics of the combined company; expected timing of the launch and closing of the proposed transaction and satisfaction of conditions precedent, including regulatory conditions; and the expected benefits of the proposed transaction, including related synergies. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such statements. These forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. Risks and uncertainties include: the ability of DSV to integrate Panalpina into DSV's operations; the performance of the global economy; the capacity for growth in internet and technology usage; the consolidation and convergence of the industry, its suppliers and its customers; the effect of changes in governmental regulations; disruption from the proposed transaction making it more difficult to maintain relationships with customers, employees or suppliers; and the impact on the combined company (after giving effect to the proposed transaction with Panalpina) of any of the foregoing risks or forward-looking statements, as well as other risk factors listed from time to time in DSV's and Panalpina's public disclosures.

The forward-looking statements should be read in conjunction with the other cautionary statements that are included elsewhere, including the risk factors included in any public disclosures of DSV or Panalpina. Any forward-looking statements made in this announcement are qualified in their entirety by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by us will be realised or, even if substantially realised, that they will have the expected consequences to, or effects on, us or our business or operations. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

IMPORTANT ADDITIONAL INFORMATION

This announcement does not constitute or form part of any offer to exchange or acquire, or a solicitation of an offer to exchange or acquire, shares in Panalpina, or an offer to sell, acquire or offer, or a solicitation to sell, acquire or offer shares in DSV. This announcement is not a substitute for the (i) Swiss offer prospectus or (ii) listing prospectus for new DSV shares ((i) to (ii) collectively, the "Offer Documents"). No offering of securities shall be made in the United States except pursuant to a vendor placement or another applicable exception from the registration requirements pursuant to the U.S. securities laws.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE OFFER DOCUMENTS AND ALL OTHER RELEVANT DOCUMENTS THAT DSV OR PANALPINA HAS FILED OR MAY FILE WITH ANY SWISS OR DANISH REGULATOR WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION.

The information contained in this announcement must not be published, released or distributed, directly or indirectly, in any jurisdiction where the publication, release or distribution of such information is restricted by laws or regulations. Therefore, persons in such jurisdictions into which these materials are published, released or distributed must inform themselves about and comply with such laws or regulations. Neither DSV nor Panalpina accepts or assumes any responsibility for any violation by any person of any such restrictions.

Agenda

- 1 DSV Panalpina
- 2 Settlement of the exchange offer
- 3 Expected synergies and integration costs
- 4 Capital structure and capital allocation
- 5 Next steps
- 6 Q&A



DSV Panalpina – leading market positions

60,000 dedicated employees in more than 90 countries

2nd

AIR FREIGHT



3rd

SEA FREIGHT



4th

**ROAD FREIGHT
(EUROPE)**



10th

LOGISTICS SOLUTIONS



DSV + Panalpina pro forma, 2018 numbers
Source: Transport Intelligence, DSV estimates

DSV Panalpina – Global Transport and Logistics

Together, we can achieve more



Top-four transport and logistics player

- New global top-four player with significantly strengthened market position in Air & Sea
- Leading market positions across divisions



Expanding our global network

- Even better service offerings to customers
- Truly global – operations in more than 90 countries with 1,500 offices and logistics facilities



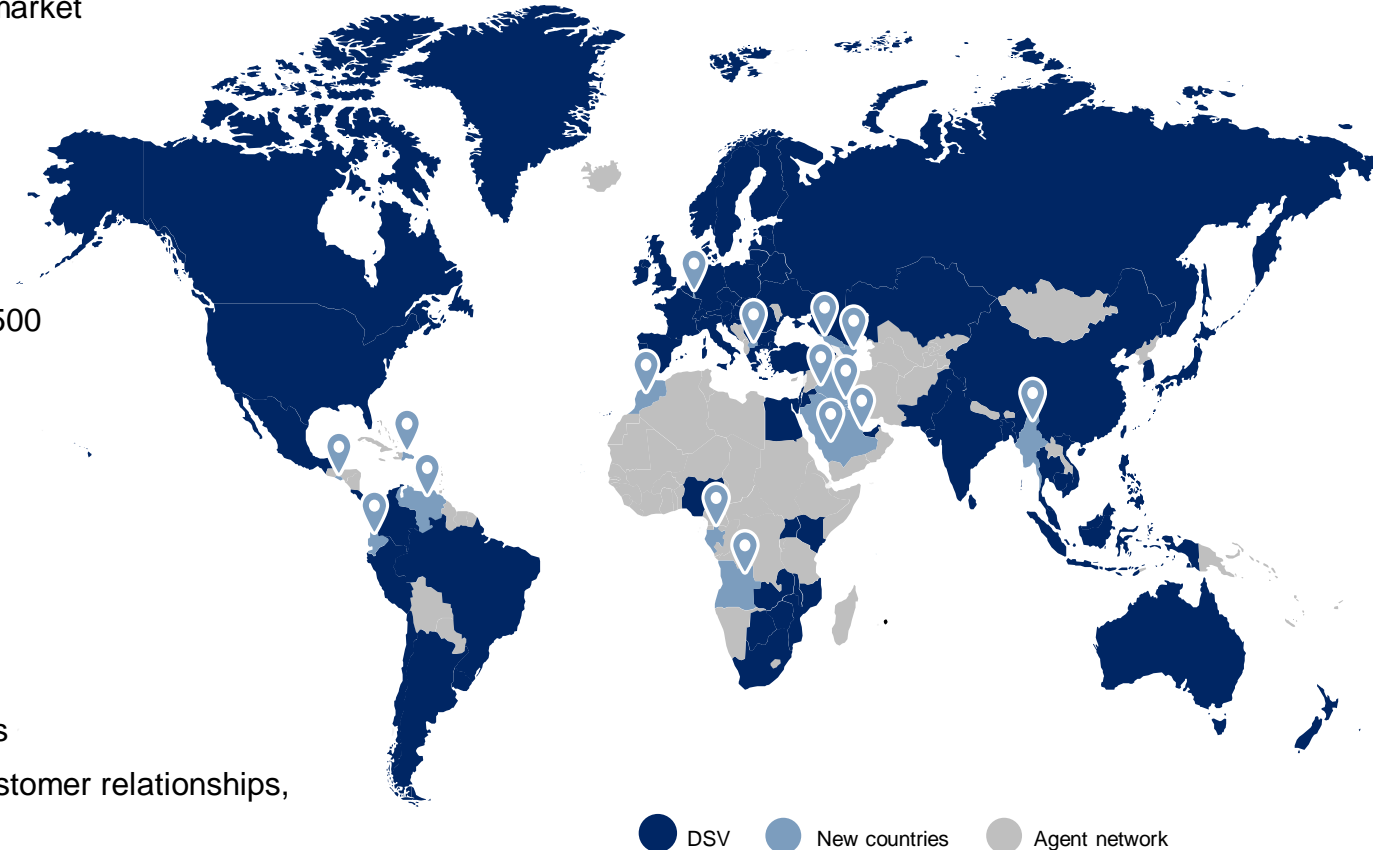
Top performing company

- Industry leading margins across divisions
- Strong integration track record



60,000 dedicated employees at your service

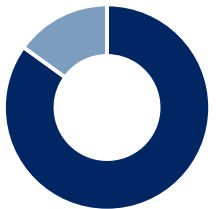
- Skilled people supported by strong and scalable IT systems
- Combining the strengths of Panalpina and DSV: unique customer relationships, industry expertise and operational excellence



DSV+Panalpina

Adding significant scale in Air & Sea

 **+ 60,000 employees**



■ DSV: 47,400 ■ Panalpina: 14,500

 **DKK ~118 billion annual revenue**



■ DSV: DKK 79.0 ■ Panalpina: DKK 39.0

 **+1.7 million tonnes of air freight**



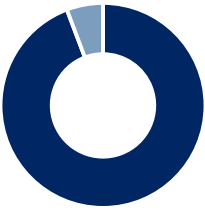
■ DSV: 689,000 ■ Panalpina: 1,039,000

 **+2.9 million TEU sea freight**



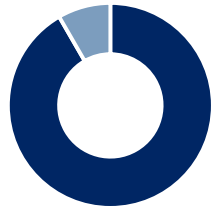
■ DSV: 1,442,000 ■ Panalpina: 1,484,000

 **DKK +33 billion Road revenue**



■ DSV: DKK 31.2 ■ Panalpina: DKK 1.9

 **6 million m² warehouses**

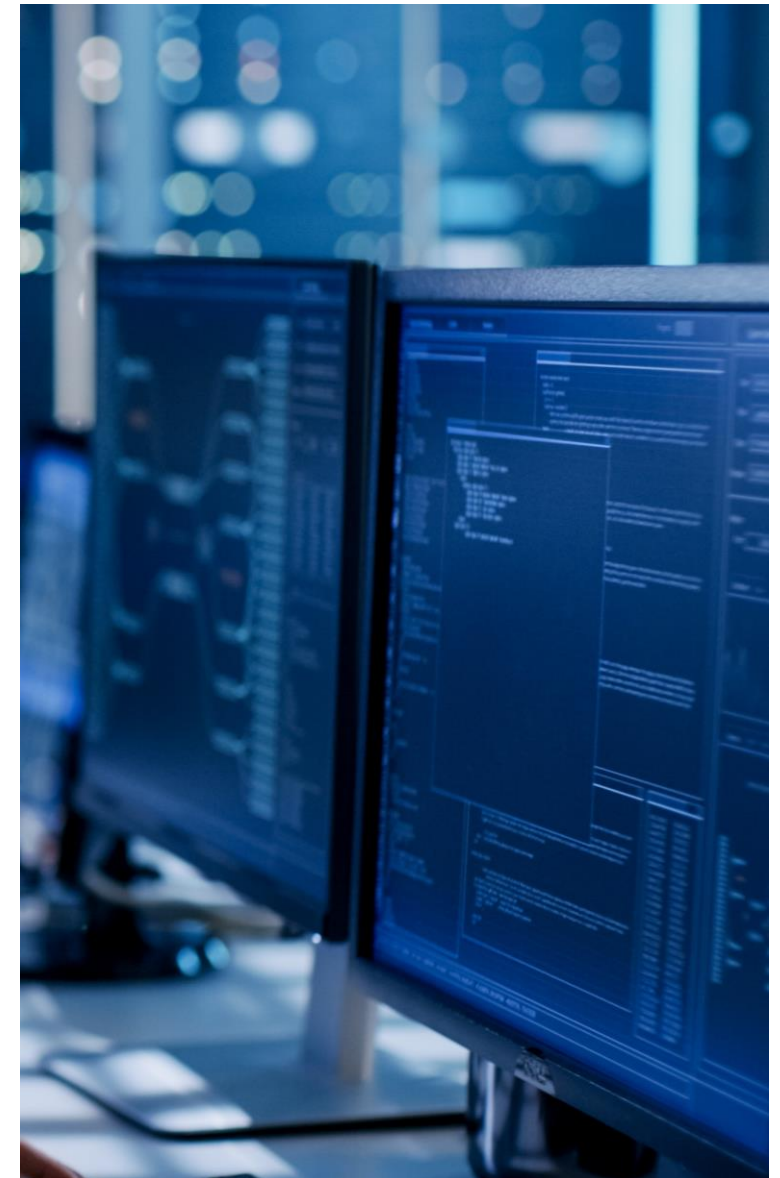


■ DSV: 5,500,000 ■ Panalpina: 500,000

Note: For illustrative purposes only. CHF/DKK = 6.64; Based on fiscal year 2018.

Settlement of the exchange offer and squeeze-out

Capital increase	DSV 29.85% share capital increase (55.5 million shares) completed on 15 August 2019. New share capital is 241.5 million shares of DKK 1.
Share exchange	Panalpina shareholders receive 2.375 DSV shares for each Panalpina share. Tender Offer success rate at 98.44%.
Enterprise value	Excluding impact from IFRS 16 the Enterprise Value of the transaction is approximately CHF 5.1 billion corresponding to DKK 35.1 billion. Including IFRS 16: approximately CHF 5.4 billion / DKK 37.0 billion.
Delisting and squeeze-out	Application for the delisting of Panalpina shares will be submitted, and DSV will initiate a court procedure to cancel the remaining Panalpina shares (statutory squeeze-out with consideration in shares).
New large shareholder	Ernst Göhner Foundation is new large shareholder in DSV (above 10%).
Name change	Pending the approval at an extraordinary general meeting, DSV A/S will change its registered name to "DSV Panalpina A/S". As the integration progresses, all subsidiaries and operational activities will be united under the DSV name and brand.



Expected cost synergies and integration costs

Consolidation of:



Operations



Logistics facilities



Administration



IT infrastructure

DKK 2,200 million



Management Commentary

- We expect to achieve annual cost synergies of around DKK 2,200 million. The synergies are expected to have full-year effect by 2022.
- Majority of synergies will derive from the consolidation of operations, logistics facilities, administration and IT infrastructure.
- Total transaction and integration costs are normally on level with the cost synergies. These costs will be charged to the income statement under Special Items during the integration period.
- The expected cost synergies and integration costs are based on a preliminary estimate.
- An update, including expected timing of synergies and integration costs as well as outlook for 2019, will be communicated in connection with the release of DSV's Q3 2019 interim financial report 1 November 2019.

Financial business case



MARGINS AND EPS

For full-year 2022, we expect that the operating margin of the combined entity will be lifted towards the DSV Group's current level.

In previous transactions we have seen that productivity can be lifted to a higher level once the integration is complete.

The transaction is expected to be EPS accretive (diluted and adjusted) by 2021



GROWTH

The integration will limit DSV's organic growth and ability to take market share during the first year. Furthermore, we risk a limited loss of Panalpina transport volumes.

As the integration progresses, we expect to benefit from commercial synergies and cross-selling opportunities.



COMPANY STRUCTURE

Panalpina will be merged into DSV's existing divisional structure. Panalpina's Logistics activities will be split between Air & Sea, Road and Solutions depending on the nature of the activities. .

Differences in definitions of activities may lead to reclassifications during the integration period.



LONG-TERM TARGETS

Long-term financial targets will be communicated during 2020.

Capital structure and capital allocation

Significant distribution to shareholders

Target for financial gearing	Target unchanged: Net interest-bearing debt below 2.0 x EBITDA before special items
Free cash flow priorities	<ol style="list-style-type: none">1. Repayment of debt (if above target gearing ratio)2. Value creating acquisitions or further development of the existing business3. Allocation to shareholders via share buyback and dividend
Dividend policy	Dividend policy with a pay-out ratio of approximately 15% of net profit will be proposed
Current share buyback programme	Currently a share buyback programme of DKK 3,500 million running until 8 November. As per 16 August, we have repurchased 2.8 million shares at a total amount of DKK 1.7 billion.



Next steps



Q&A

To ask questions, please register using the link below:

[DSV Panalpina Analyst Conference](#)

After registration, you will receive an email with all details required to access.

