



INTERIM FINANCIAL REPORT

Third quarter 2017

Company Announcement No. 663

26 October 2017

Selected financial and operating data for the period 1 January - 30 September 2017

(DKKm)	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Net revenue	18,735	17,205	55,882	50,130
Gross profit	4,114	4,019	12,551	11,839
Operating profit before special items	1,313	1,003	3,682	2,546
<i>Operating margin</i>	7.0%	5.8%	6.6%	5.1%
<i>Conversion ratio</i>	31.9%	25.0%	29.3%	21.5%
Special items, costs	123	155	371	866
Profit before tax	1,041	763	2,886	1,537
Adjusted earnings for the period	941	692	2,578	1,829
Adjusted free cash flow			3,047	1,248
Diluted adjusted earnings per share of DKK 1 for the period	4.96	3.69	13.63	9.79

Jens Bjørn Andersen, CEO: "A strong commercial and operational performance in Q3 has driven earnings growth of more than 30% and a volume performance in line with or above the market. We are pleased to see our business continuously improving, and based on this, we upgrade our expectations for 2017 and launch a five-month share buyback programme of DKK 1,250 million."

The consolidated full-year outlook previously announced for 2017 is adjusted as follows:

- Operating profit before special items is expected to be in the range of DKK 4,700-4,900 million (previously DKK 4,500-4,700 million).
- Net financial expenses, excluding foreign exchange adjustments, are expected to approximate DKK 300 million (unchanged).
- Adjusted free cash flow is expected to approximate DKK 4,400 million (previously DKK 4,250 million).
- The effective tax rate is expected to be 23% (unchanged).

The revised expectations are partly driven by higher than expected activity levels, mainly in the Air & Sea division. At the same time, the cost synergies from the UTi integration have been achieved faster than expected in 2017. As a consequence, the remaining full-year impact from cost synergies is now expected to be DKK 200 million in 2018 (previously DKK 300 million).

A separate company announcement about the launch of a five-month share buyback programme of DKK 1,250 million will be issued today.

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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

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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*

	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Income statement (DKKm)				
Net revenue	18,735	17,205	55,882	50,130
Gross profit	4,114	4,019	12,551	11,839
Operating profit before amortisation, depreciation and special items	1,503	1,206	4,248	3,135
Operating profit (EBIT) before special items	1,313	1,003	3,682	2,546
Special items, costs	123	155	371	866
Net financial expenses	149	85	425	143
Profit before tax	1,041	763	2,886	1,537
Profit for the period	826	552	2,237	1,118
Adjusted earnings for the period	941	692	2,578	1,829
Balance sheet (DKKm)				
DSV A/S shareholders' share of equity			14,524	12,553
Non-controlling interests			(34)	4
Equity total			14,490	12,557
Balance sheet total			39,206	39,669
Net working capital			2,113	1,869
Net interest-bearing debt			6,298	8,561
Invested capital			21,183	21,968
Gross investment in property, plant and equipment			478	272
Cash flows (DKKm)				
Operating activities			2,910	853
Investing activities			(185)	(4,915)
Free cash flow			2,725	(4,062)
Adjusted free cash flow			3,047	1,248
Financing activities			(3,193)	925
Share buybacks			(735)	-
Dividends distributed			(345)	(327)
Cash flow for the period			(468)	(3,137)
Financial ratios (%)				
Gross margin	22.0	23.4	22.5	23.6
Operating margin	7.0	5.8	6.6	5.1
Conversion ratio	31.9	25.0	29.3	21.5
Effective tax rate	20.7	27.7	22.5	27.3
ROIC before tax			21.4	19.8
Return on equity (ROE)			20.6	17.3
Solvency ratio			37.0	31.6
Gearing ratio			1.17	2.13
Share ratios				
Earnings per share of DKK 1 for the period	4.39	2.97	11.95	6.01
Earnings per share of DKK 1 for the last 12 months			14.96	8.89
Diluted adjusted earnings per share of DKK 1 for the period	4.96	3.69	13.63	9.79
Diluted adjusted earnings per share of DKK 1 for the last 12 months			17.26	13.04
Number of shares issued ('000)			190,000	190,000
Number of treasury shares ('000)			4,341	4,539
Average number of shares issued ('000) for the period	186,755	185,371	186,433	184,757
Average number of shares issued ('000) for the last 12 months			186,192	183,865
Average diluted number of shares ('000) for the period	189,648	187,547	189,153	186,780
Average diluted number of shares ('000) for the last 12 months			188,607	183,865
Share price at 30 September (DKK)			476.30	330.00
Staff				
Number of full-time employees at 30 September			45,161	45,395

*) For a definition of the financial highlights, please refer to page 81 of the 2016 Annual Report.

Management's commentary

The Group achieved gross profit of DKK 12,551 million for the first nine months of 2017 (2016: DKK 11,839 million). Operating profit before special items grew 45.8% (in constant currencies) to DKK 3,682 million for the nine-month period (2016: DKK 2,546 million).

Adjusted free cash flow for the period totalled DKK 3,047 million (2016: DKK 1,248 million).

” For Q3 2017, operating profit before special items amounted to DKK 1,313 million (2016: DKK 1,003 million)



Integration of UTi Worldwide Inc.

The acquisition of UTi Worldwide Inc. was closed on 22 January 2016, and the reported results for the first nine months of 2017 includes one extra month of UTi activities compared to 2016.

The integration is nearly completed with some tasks still open in relation to consolidation of back-office and infrastructure. As previously announced, the total expected annual cost synergies are DKK 1.5 billion with expected impact in 2016 to 2018 in pace with the different integration initiatives. The integration has progressed faster than expected in 2017, leading to faster realisation of synergies. As a consequence, the remaining full-year impact from cost synergies is now expected to be DKK 200 million in 2018 (previously DKK 300 million).

The UTi activities have been included in the existing DSV divisional structure from the date of acquisition. As the integration progressed during 2016, adjustments were made to classification of costs and allocation of activities. The changes had no material impact on reported results and no restatements have been made.

In connection with the integration process, most of UTi's activities have been transferred to DSV's IT platforms and administrative functions have been combined. Therefore, the financial statements for the first nine months of 2017 do not include separate reports on acquired growth.

Profit for the period

Net revenue

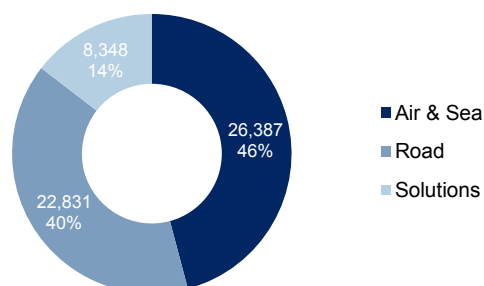
For the first nine months of 2017, DSV recorded net revenue of DKK 55,882 million (2016: DKK 50,130 million).

Growth for the period was 12.4% (in constant currencies).

For Q3 2017, net revenue amounted to DKK 18,735 million (2016: DKK 17,205 million). Growth for the period was 11.7%. The Air & Sea division achieved growth of 13.9%, Road 6.7% and Solutions 12.2% (all in constant currencies).

The growth was driven by higher activity in all business areas. In addition, average freight rates and fuel prices were higher than in the same period last year, which also drove up revenue.

NET REVENUE YTD 2017 (DKKm)



Gross profit

Gross profit was DKK 12,551 million for the first nine months of the year (2016: DKK 11,839 million). Growth for the period was 6.2% (in constant currencies).

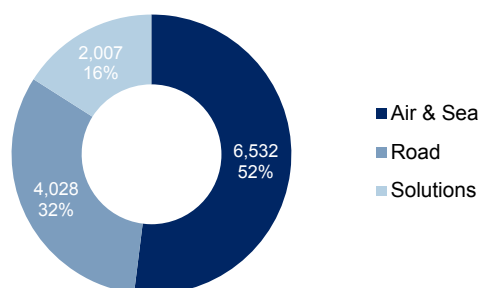
For Q3 2017, gross profit amounted to DKK 4,114 million (2016: DKK 4,019 million). Growth for the period was 4.6% (in constant currencies).

Driven by increasing transport volumes, the Air & Sea division achieved growth of 6.9%, whereas Road reported 3.4% growth for Q3 2017. Solutions reported a decline in gross profit of 4.5%.

Gross profit was negatively impacted by a DKK 89 million adverse currency effect in Q3 2017.

The consolidated gross margin was 22.5% for the first nine months of 2017 (2016: 23.6%).

GROSS PROFIT YTD 2017 (DKKm)



Operating profit before special items

Operating profit before special items was DKK 3,682 million for the nine-month period (2016: DKK 2,546 million). Growth for the period was 45.8% (in constant currencies).

The conversion ratio was 29.3% for the nine months (2016: 21.5%).

The operating margin (before special items) was 6.6% for the period (2016: 5.1%). The increase in earnings and margins was primarily driven by the continued successful integration of UTi and organic growth in gross profit.

GROWTH

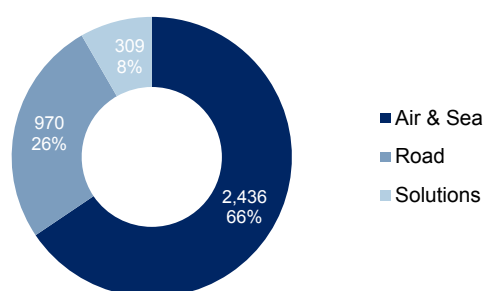
(DKKm)	Q3 2016	Currency translation adjustments	Growth incl. acquisitions	Growth incl. acquisitions	Q3 2017
Net revenue	17,205	(487)	2,017	11.7%	18,735
Gross profit	4,019	(89)	184	4.6%	4,114
EBIT before special items	1,003	(35)	345	34.4%	1,313
	YTD 2016				YTD 2017
Net revenue	50,130	(469)	6,221	12.4%	55,882
Gross profit	11,839	(23)	735	6.2%	12,551
EBIT before special items	2,546	(29)	1,165	45.8%	3,682

For Q3 2017, operating profit before special items amounted to DKK 1,313 million (2016: DKK 1,003 million). In constant currencies, growth for the period was 34.4%. The Air & Sea division achieved growth of 49.4%, Road 7.9% and Solutions 11.4%.

With 54.2%, Americas achieved the highest growth rate in operating profit before special items in Q3 2017. APAC and EMEA followed suit with 27.5% and 23.7%, respectively.

Operating profit before special items was negatively impacted by DKK 35 million due to adverse currency translation in Q3 2017.

Operating profit before special items YTD 2017 (DKKm)



Special items, net

Special items totalled DKK 371 million for the first nine months of 2017. The costs mainly relate to the integration of UTi. As previously announced, we expect integration costs of approx. DKK 500 million in 2017.

Financial items

Financial items totalled a net expense of DKK 425 million for the period, including a net exchange rate loss of DKK 195 million.

The exchange rate losses mainly related to intra-Group loans, which are not hedged externally. The intra-Group exchange rate losses have no impact on the cash flow.

Tax on profit for the period

The effective tax rate for the nine-month period was 22.5. The effective tax rate is in line with the full-year expectations for 2017 and was impacted by the UTi integration.

Diluted adjusted earnings per share

Diluted adjusted earnings per share for the period grew by 39.2% to DKK 13.63 (2016: DKK 9.79).

The 12-month figure to the end of September 2017 was DKK 17.26 per share (2016: DKK 13.04), corresponding to an increase of 32.4%.

Cash flow statement

CASH FLOW STATEMENT

(DKKm)	YTD 2017	YTD 2016
EBITDA before special items	4,248	3,135
Change in net working capital	101	(825)
Adjustment, non-cash operating items	(123)	(240)
Adjustment, other operating items	(1,316)	(1,217)
Cash flow from operating activities	2,910	853
Purchase and sale of intangibles, property, plant and equipment	(235)	(296)
Acquisition and disposal of subsidiaries and activities, excluding creditors	(8)	(4,619)
Other	58	-
Cash flow from investing activities	(185)	(4,915)
Free cash flow	2,725	(4,062)
Proceeds from and repayment of short-term and long-term debt	(2,388)	1,028
Allocated to shareholders	(1,080)	(327)
Exercise of share options	282	224
Other transactions with shareholders	(7)	-
Cash flow from financing activities	(3,193)	925
Cash flow for the period	(468)	(3,137)
Adjusted free cash flow	3,047	1,248

Cash flow from operating activities

Cash flow from operating activities was DKK 2,910 million for the first nine months of 2017 (2016: DKK 853 million). The increase was mainly due to the higher EBITDA before special items.

Net working capital

The Group reported funds tied up in net working capital of DKK 2,113 million at 30 September 2017 (2016: DKK 1,869 million).

Relative to full-year revenue, the net working capital amounted to 2.9% at 30 September 2017 (2016: 2.7%).

Optimisation of funds tied up in working capital is a high priority, but the conversion of IT systems and restructuring of business processes have a temporary adverse impact.

In addition, we continue to see pressure on working capital in the market in general, not least from large customers and customs clearance activities.

Cash flow from investing activities

Cash flow from investing activities amounted to DKK -185 million for the first nine months of 2017 (2016: DKK -4,915 million). 2016 was impacted by the UTi acquisition.

Adjusted free cash flow

Adjusted free cash flow for the period was DKK 3,047 million (2016: DKK 1,248 million).

Capital structure and finances

Equity

The equity interest of DSV shareholders was DKK 14,524 million at 30 September 2017 (31 December 2016: DKK 13,416 million).

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

At 30 September 2017, the Company's portfolio of treasury shares amounted to 4,341,201 shares, corresponding to 2.28% of the total number of shares issued. At 26 October 2017, the Company's portfolio of treasury shares amounts to 4,889,664 shares.

The solvency ratio excluding non-controlling interests was 37.0% at 30 September 2017 (2016: 31.6%).

DEVELOPMENT IN EQUITY

(DKKm)	YTD 2017	YTD 2016
Equity at 1 January	13,416	11,809
Net profit for the period	2,228	1,111
Currency translation adjustments, foreign enterprises	(487)	(23)
Dividends distributed	(342)	(327)
Purchase of treasury shares	(735)	-
Sale of treasury shares	282	218
Adjustments relating to hedging instruments	31	(97)
Tax on changes in equity	118	126
Actuarial gains/(losses)	(39)	(309)
Other adjustments, net	52	45
Equity at 30 September	14,524	12,553

Net interest-bearing debt

Consolidated net interest-bearing debt amounted to DKK 6,298 million at 30 September 2017 (2016: DKK 8,561 million).

The financial gearing ratio was 1.17 at 30 September 2017 (2016: 2.13). This means that the gearing ratio is within the Group's capital structure target range of 1.0 - 1.5x EBITDA.

The duration of the Group's long-term loan and credit facilities was 3.4 years at 30 September 2017 (30 September 2016: 3.1 years).

In Q3 2017, DSV issued EUR 200 million worth of 7-year corporate bonds with a fixed coupon of 1.75%. The proceeds have been used to repay the remaining acquisition financing facility for the purchase of UTi Worldwide Inc. The Group has thereby obtained longer average duration of its credit facilities.

Invested capital

The Group's invested capital including goodwill and customer relationships amounted to DKK 21,183 million at 30 September 2017 (2016: DKK 21,968 million).

Return on invested capital (ROIC before tax)

Return on invested capital including goodwill and customer relationships was 21.4% for the 12-month period ending 30 September 2017 (2016: 19.8%).

Outlook for 2017

The consolidated full-year outlook for 2017 previously announced is adjusted as follows:

- Operating profit before special items is expected to be in the range of DKK 4,700-4,900 million (previously DKK 4,500-4,700 million).
- Net financial expenses, excluding foreign exchange adjustments, are expected to approximate DKK 300 million (unchanged).
- Free cash flow is expected to approximate DKK 3,900 million (previously DKK 3,750 million).
- Adjusted free cash flow is expected to approximate DKK 4,400 million (previously DKK 4,250 million).
- The effective tax rate is expected to be 23% (unchanged).

The revised expectations are partly driven by higher than expected activity levels, mainly in the Air & Sea division. At the same time, the cost synergies from the UTi integration have been achieved faster than expected in 2017. As a consequence, the remaining full-year impact from cost synergies is now expected to be DKK 200 million in 2018 (previously DKK 300 million).

The outlook for 2017 is based on the assumption of a stable development in the markets in which the Group operates and that currency exchange rates will remain at current levels.

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.

DSV Air & Sea reported EBIT before special items of DKK 2,436 million for the period (2016: DKK 1,574 million). The conversion ratio was 37.3% (2016: 25.0%).



” For Q3 2017, EBIT before special items totalled DKK 903 million (2016: DKK 626 million)

INCOME STATEMENT

(DKKm)	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Divisional net revenue	9,044	8,282	26,387	23,753
Direct costs	6,845	6,159	19,855	17,445
Gross profit	2,199	2,123	6,532	6,308
Other external expenses	431	550	1,373	1,669
Staff costs	839	898	2,638	2,913
EBITDA before special items	929	675	2,521	1,726
Amortisation and depreciation of intangibles, property, plant and equipment	26	49	85	152
EBIT before special items	903	626	2,436	1,574

KEY OPERATING DATA

	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Gross margin (%)	24.3	25.6	24.8	26.6
Conversion ratio (%)	41.1	29.5	37.3	25.0
Operating margin (%)	10.0	7.6	9.2	6.6
Number of full-time employees at 30 September			12,177	13,799
Total invested capital (DKKm)			11,109	12,029
Net working capital (DKKm)			1,296	2,393
ROIC before tax (%)			26.0	22.4

Market development

Freight volume growth

	DSV Q3 2017	Market Q3 2017	DSV YTD 2017	Market YTD 2017
Sea freight – TEUs	3%	3-4%	7%	3-4%
Air freight – tonnes	12%	10-12%	11%	9-11%

DSV growth includes acquired and organic growth. Market growth rates are based on own estimates.

DSV's YTD growth was impacted by one extra month of UTi activities in 2017 compared to 2016.

The division reported a 3% increase in sea freight volumes for Q3 2017 compared to the same period of 2016. This is estimated to be in line with the underlying market. DSV saw the strongest development in exports from EMEA.

For air freight, the division reported a volume increase of 12% for Q3 2017, which is also in line with the market. The growth was mainly driven by strong APAC and EMEA exports.

With a large part of the UTi integration completed, the organisation has intensified its focus on sales and gaining market share, which is reflected in the Group's performance in Q3 2017 with growth picking up. This positive trend is expected to continue in the coming quarters.

Divisional net revenue

For the first nine months of 2017, net revenue totalled DKK 26,387 million against DKK 23,753 million for the same period last year. In constant currencies, growth was 12.9%.

For Q3 2017, net revenue amounted to DKK 9,044 million (Q3 2016: DKK 8,282 million), corresponding to a growth of 13.9%.

The increase in net revenue was driven by higher volumes and higher average freight rates. Furthermore, Q1 2017 included approx. one extra month of UTi activities compared to the same period of 2016.

Gross profit

Reported gross profit was DKK 6,532 million for the first nine months of 2017 (2016: DKK 6,308 million). In constant currencies, growth was 4.1%.

The division's gross margin for the first nine months of 2017 was 24.8% (2016: 26.6%). The decrease was mainly attributable to higher average freight rates compared to the same period last year.

For Q3 2017, gross profit amounted to DKK 2,199 million (2016: 2,123 million), corresponding to a growth of 6.9%.

Gross profit per unit in DKK was down approx. 3% for sea freight and 4% for air freight in Q3 2017 compared to the same period last year. The decline was mainly due to exchange rate fluctuations, particularly USD. However, due to high volume growth in the market, certain trade lanes have been impacted by lack of capacity for air freight, especially out of Asia. In combination with a competitive pricing environment this has resulted in a temporary margin squeeze.

EBIT before special items

EBIT before special items was DKK 2,436 million for the nine-month period (2016: DKK 1,574 million). In constant currencies, growth was 55.8%.

For Q3 2017, EBIT before special items totalled DKK 903 million (2016: DKK 626 million), corresponding to a growth of 49.4%.

The positive development was largely the result of the continued successful integration of UTi's activities. The growth was driven by regions and countries where UTi had a strong presence, in particular North America, China, South Africa and Germany.

The conversion ratio for the first nine months of 2017 was 37.3% (2016: 25.0%).

Division operating margin for the first nine months of 2017 was 9.2% (2016: 6.6%) and was also affected by the UTi integration.

Working capital

The Air & Sea division reported funds tied up in net working capital of DKK 1,296 million at 30 September 2017 (2016: DKK 2,393 million).

GROWTH

(DKKm)	Q3 2016	Currency translation adjustments	Growth incl. acquisitions	Growth incl. acquisitions	Q3 2017
Divisional net revenue	8,282	(389)	1,151	13.9%	9,044
Gross profit	2,123	(71)	147	6.9%	2,199
EBIT before special items	626	(32)	309	49.4%	903
	YTD 2016				YTD 2017
Divisional net revenue	23,753	(421)	3,055	12.9%	26,387
Gross profit	6,308	(35)	259	4.1%	6,532
EBIT before special items	1,574	(17)	879	55.8%	2,436

AIR AND SEA SPLIT

(DKKm)	Sea freight				Air freight			
	Q3 2017	Q3 2016	YTD 2017	YTD 2016	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Divisional net revenue	4,594	4,317	13,698	12,458	4,450	3,965	12,689	11,295
Direct costs	3,468	3,193	10,344	9,154	3,377	2,966	9,511	8,291
Gross profit	1,126	1,124	3,354	3,304	1,073	999	3,178	3,004
Gross margin (%)	24.5	26.0	24.5	26.5	24.1	25.2	25.0	26.6
Volume (TEUs/tonnes)	355,291	345,463	1,046,461	976,380	165,051	147,744	467,920	422,123
Gross profit per unit (DKK)	3,169	3,254	3,205	3,384	6,501	6,762	6,792	7,116

DSV Road

Activities

DSV Road is among the market leaders in Europe. In addition, the division has operations 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 20,000 trailers on the road every day.

The division reported EBIT before special items of DKK 970 million for the first nine months of 2017 (2016: DKK 819 million).



” For Q3 2017, EBIT before special items totalled DKK 311 million (2016: DKK 290 million)

INCOME STATEMENT

(DKKm)	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Divisional net revenue	7,514	7,111	22,831	21,167
Direct costs	6,235	5,864	18,803	17,304
Gross profit	1,279	1,247	4,028	3,863
Other external expenses	294	304	935	950
Staff costs	641	612	2,015	1,973
EBITDA before special items	344	331	1,078	940
Amortisation and depreciation of intangibles, property, plant and equipment	33	41	108	121
EBIT before special items	311	290	970	819

KEY OPERATING DATA

	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Gross margin (%)	17.0	17.5	17.6	18.3
Conversion ratio (%)	24.3	23.3	24.1	21.2
Operating margin (%)	4.1	4.1	4.2	3.9
Number of full-time employees at 30 September			12,788	12,710
Total invested capital (DKKm)			5,291	4,106
Net working capital (DKKm)			36	(360)
ROIC before tax (%)			25.5	29.1

Market development

Freight volume growth

	DSV Q3 2017	Market Q3 2017	DSV YTD 2017	Market YTD 2017
Shipments	4%	3-4%	7%	3-4%

Market growth rates are based on own estimates.

DSV's YTD growth was impacted by one extra month of UTI activities in 2017 compared to 2016.

With a growth in shipments of 4% in Q3 2017, the division continued to take market share.

Divisional net revenue

For the first nine months of 2017, net revenue totalled DKK 22,831 million (2016: DKK 21,167 million). In constant currencies, growth was 8.3%.

For Q3 2017, net revenue amounted to DKK 7,514 million (2016: DKK 7,111 million), corresponding to a growth of 6.7%.

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

Gross profit

For the first nine months of 2017, gross profit totalled DKK 4,028 million (2016: DKK 3,863 million).

For Q3 2017, gross profit amounted to DKK 1,279 million (2016: DKK 1,247 million). In constant currencies, growth was 3.4%.

The division's gross margin for Q3 2017 was 17.0% (2016: 17.5%). The development was due to a competitive pricing environment and a high demand for capacity, which has led to increasing haulage prices. DSV can normally pass such increases on to customers, however a time lag may occur.

EBIT before special items

EBIT before special items was DKK 970 million for the first nine months of 2017 (2016: DKK 819 million).

For Q3 2017, EBIT before special items totalled DKK 311 million (2016: DKK 290 million). In constant currencies, growth was 7.9% and was mainly driven by the increase in gross profit, with Europe and South Africa as the main drivers.

The conversion ratio for the first nine months of 2017 was 24.1% (2016: 21.2%).

Division operating margin for the first nine months of 2017 was 4.2% (2016: 3.9%).

Working capital

The Road division reported funds tied up in net working capital of DKK 36 million at 30 September 2017 (2016: DKK -360 million).

GROWTH

(DKKm)	Q3 2016	Currency translation adjustments	Growth incl. acquisitions	Growth incl. acquisitions	Q3 2017
Divisional net revenue	7,111	(70)	473	6.7%	7,514
Gross profit	1,247	(10)	42	3.4%	1,279
EBIT before special items	290	(2)	23	7.9%	311
	YTD 2016				YTD 2017
Divisional net revenue	21,167	(103)	1,767	8.3%	22,831
Gross profit	3,863	(20)	185	4.8%	4,028
EBIT before special items	819	(15)	166	20.3%	970

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 offerings include freight management, customs clearance, order management and e-commerce solutions.

DSV Solutions reported EBIT before special items of DKK 309 million for the first nine months of 2017 (2016: DKK 242 million).



” For Q3 2017, EBIT before special items totalled DKK 115 million (2016: DKK 105 million)

INCOME STATEMENT

(DKKm)	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Divisional net revenue	2,757	2,492	8,348	6,941
Direct costs	2,111	1,808	6,341	5,052
Gross profit	646	684	2,007	1,889
Other external expenses	204	202	660	559
Staff costs	264	311	847	906
EBITDA before special items	178	171	500	424
Amortisation and depreciation of intangibles, property, plant and equipment	63	66	191	182
EBIT before special items	115	105	309	242

KEY OPERATING DATA

	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Gross margin (%)	23.4	27.4	24.0	27.2
Conversion ratio (%)	17.8	15.4	15.4	12.8
Operating margin (%)	4.2	4.2	3.7	3.5
Number of full-time employees at 30 September			17,946	16,854
Total invested capital (DKKm)			3,960	3,210
Net working capital (DKKm)			862	248
ROIC before tax (%)			12.6	12.8

Market development

The contract logistics market is estimated to have grown by 3-4% in the first nine months of 2017, in line with the growth level for road freight. After a period of stable growth, the market is relatively balanced and warehouse utilisation is high in most regions.

Measured by divisional net revenue, the division achieved growth of 19.4% in the first nine months of 2017. The growth was mainly related to higher activity levels and was also impacted by one extra month of UTi activities in Q1 2017.

Divisional net revenue

Net revenue was DKK 8,348 million for the first nine months of 2017 (2016: DKK 6,941 million). In constant currencies, growth was 19.4%.

For Q3 2017, net revenue amounted to DKK 2,757 million (2016: DKK 2,492). In constant currencies, growth was 12.2%.

Gross profit

Gross profit totalled DKK 2,007 million for the first nine months of 2017 (2016: DKK 1,889 million).

The gross margin for the first nine months of 2017 was 24.0% (2016: 27.2%). The development was partly due to differences in calculation of gross profit between UTi and DSV. As of H2 2016, these reporting issues have been aligned.

For Q3 2017, gross profit amounted to DKK 646 million (2016: DKK 684 million). The quarter was characterised by a high level of activity, but gross profit was negatively impacted by pricing pressure from customers and increasing operating costs.

EBIT before special items

EBIT before special items was DKK 309 million for the first nine months of 2017 (2016: DKK 242 million).

For Q3 2017, EBIT before special items totalled DKK 115 million (2016: DKK 105 million).

Conversion ratio was 15.4% for the nine-month period (2016: 12.8%).

Working capital

The division reported funds tied up in net working capital of DKK 862 million at 30 September 2017 (2016: DKK 248 million).

GROWTH

(DKK m)	Q3 2016	Currency translation adjustments	Growth incl. acquisitions	Growth incl. acquisitions	Q3 2017
Divisional net revenue	2,492	(40)	305	12.2%	2,757
Gross profit	684	(7)	(31)	(4.5%)	646
EBIT before special items	105	(2)	12	11.4%	115
	YTD 2016				YTD 2017
Divisional net revenue	6,941	61	1,346	19.4%	8,348
Gross profit	1,889	31	87	4.6%	2,007
EBIT before special items	242	2	65	26.9%	309

Interim financial statements

Income statement

(DKKm)	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Net revenue	18,735	17,205	55,882	50,130
Direct costs	14,621	13,186	43,331	38,291
Gross profit	4,114	4,019	12,551	11,839
Other external expenses	722	786	2,342	2,452
Staff costs	1,889	2,027	5,961	6,252
Operating profit before amortisation, depreciation and special items	1,503	1,206	4,248	3,135
Amortisation and depreciation of intangibles, property, plant and equipment	190	203	566	589
Operating profit before special items	1,313	1,003	3,682	2,546
Special items, costs	123	155	371	866
Financial items	149	85	425	143
Profit before tax	1,041	763	2,886	1,537
Tax on profit for the period	215	211	649	419
Profit for the period	826	552	2,237	1,118
Profit for the period is attributable to:				
Shareholders of DSV A/S	820	551	2,228	1,111
Non-controlling interests	6	1	9	7
Earnings per share:				
Earnings per share of DKK 1 for the period	4.39	2.97	11.95	6.01
Diluted earnings per share of DKK 1 for the period	4.32	2.94	11.78	5.95
Supplementary information:				
Diluted adjusted earnings per share of DKK 1 for the period	4.96	3.69	13.63	9.79
Diluted adjusted earnings per share of DKK 1 for the last 12 months			17.26	13.04

Statement of comprehensive income

(DKKm)	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Profit for the period	826	552	2,237	1,118
Items that will be reclassified to income statement when certain conditions are met:				
Currency translation adjustments, foreign enterprises	(219)	65	(484)	(30)
Fair value adjustment relating to hedging instruments	(10)	28	28	(108)
Fair value adjustment relating to hedging instruments transferred to financials	2	2	3	11
Tax on items reclassified to income statement	2		(5)	
Items that will not be reclassified to income statement:				
Actuarial gains/(losses)	1	(89)	(39)	(309)
Tax relating to items that will not be reclassified	-	29	10	97
Other comprehensive income, net of tax	(224)	35	(487)	(339)
Total comprehensive income	602	587	1,750	779
Total comprehensive income is attributable to:				
Shareholders of DSV A/S	593	587	1,738	779
Non-controlling interests	9	-	12	-
Total	602	587	1,750	779

Cash flow statement

(DKKm)	YTD 2017	YTD 2016
Operating profit before amortisation, depreciation and special items	4,248	3,135
<i>Adjustments:</i>		
Share-based payments	49	35
Change in provisions	(172)	(275)
Change in working capital, etc.	101	(825)
Special items	(314)	(441)
Interest received	74	179
Interest paid	(339)	(332)
Corporation tax, paid	(737)	(623)
Cash flow from operating activities	2,910	853
Purchase of intangible assets	(212)	(160)
Purchase of property, plant and equipment	(454)	(273)
Disposal of property, plant and equipment	431	151
Acquisition and disposal of subsidiaries and activities	(8)	(4,619)
Change in other financial assets	58	(14)
Cash flow from investing activities	(185)	(4,915)
Free cash flow	2,725	(4,062)
Proceeds from and repayment of short-term and long-term debt	(2,340)	1,079
Other financial liabilities incurred	(48)	(51)
<i>Shareholders:</i>		
Dividends distributed	(345)	(327)
Purchase of treasury shares	(735)	-
Sale of treasury shares	282	216
Other transactions with shareholders	(7)	8
Cash flow from financing activities	(3,193)	925
Cash flow for the period	(468)	(3,137)
Cash and cash equivalents at 1 January	1,714	4,908
Cash flow for the period	(468)	(3,137)
Currency translation adjustments	84	97
Cash and cash equivalents at 30 September	1,330	1,868
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	2,725	(4,062)
Net acquisition of subsidiaries and activities	8	4,619
Special items (restructuring costs)	314	441
Normalisation of working capital of acquired subsidiaries and activities	-	250
Adjusted free cash flow	3,047	1,248

Balance sheet

Assets

(DKKm)	30.09.2017	31.12.2016	30.09.2016
Intangible assets	16,547	17,247	16,834
Property, plant and equipment	2,640	3,334	4,016
Other receivables	260	317	306
Deferred tax assets	1,034	1,031	785
Total non-current assets	20,481	21,929	21,941
Trade receivables	12,936	12,338	12,136
Work in progress (services and inventories)	2,079	2,026	1,995
Other receivables	1,777	1,850	1,729
Cash and cash equivalents	1,330	1,714	1,868
Assets held for sale	603	510	-
Total current assets	18,725	18,438	17,728
Total assets	39,206	40,367	39,669

Equity and liabilities

(DKKm)	30.09.2017	31.12.2016	30.09.2016
Share capital	190	190	190
Reserves	14,334	13,226	12,363
DSV A/S shareholders' share of equity	14,524	13,416	12,553
Non-controlling interests	(34)	(38)	4
Total equity	14,490	13,378	12,557
Deferred tax liabilities	168	287	332
Pensions and similar obligations	1,496	1,488	1,578
Provisions	688	736	716
Financial liabilities	7,253	8,725	9,095
Total non-current liabilities	9,605	11,236	11,721
Provisions	315	462	468
Financial liabilities	438	1,358	1,396
Trade payables	6,957	7,010	6,316
Work in progress (services)	2,663	2,435	2,417
Other payables	4,251	3,879	4,433
Corporation tax	487	609	361
Total current liabilities	15,111	15,753	15,391
Total liabilities	24,716	26,989	27,112
Total equity and liabilities	39,206	40,367	39,669

Statement of changes in equity – 1 January - 30 September 2017

(DKK)m	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 at 1 January 2017	190	4,744	(5)	(18)	(79)	8,584	13,416	(38)	13,378
Profit for the period	-	-	-	-	-	2,228	2,228	9	2,237
Currency translation adjustments, foreign enterprises	-	-	-	-	(487)	-	(487)	3	(484)
Fair value adjustments relating to hedging instruments	-	-	-	28	-	-	28	-	28
Fair value adjustments relating to hedging instruments transferred to financial expenses	-	-	-	3	-	-	3	-	3
Actuarial gains/(losses)	-	-	-	-	-	(39)	(39)	-	(39)
Tax on other comprehensive income	-	-	-	(5)	-	10	5	-	5
Other adjustments	-	-	-	(47)	-	47	-	-	-
Other comprehensive income, net of tax	-	-	-	(21)	(487)	18	(490)	3	(487)
Total comprehensive income for the period	-	-	-	(21)	(487)	2,246	1,738	12	1,750
Transactions with owners:									
Share-based payments	-	-	-	-	-	49	49	-	49
Dividends distributed	-	-	-	-	-	(342)	(342)	(3)	(345)
Purchase of treasury shares	-	-	(1)	-	-	(734)	(735)	-	(735)
Sale of treasury shares	-	-	2	-	-	280	282	-	282
Addition/disposal of non-controlling interests	-	-	-	-	-	-	-	(14)	(14)
Dividends on treasury shares	-	-	-	-	-	7	7	-	7
Other adjustments	-	-	-	-	-	(4)	(4)	9	5
Tax on transactions with owners	-	-	-	-	-	113	113	-	113
Total transactions with owners	-	-	1	-	-	(631)	(630)	(8)	(638)
Equity at 30 September 2017	190	4,744	(4)	(39)	(566)	10,199	14,524	(34)	14,490

Statement of changes in equity – 1 January - 30 September 2016

(DKK)m	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 at 1 January 2016	192	4,744	(9)	56	(289)	7,115	11,809	32	11,841
Profit for the period	-	-	-	-	-	1,111	1,111	7	1,118
Currency translation adjustments, foreign enterprises	-	-	-	-	(23)	-	(23)	(7)	(30)
Fair value adjustments relating to hedging instruments	-	-	-	(108)	-	-	(108)	-	(108)
Fair value adjustments relating to hedging instruments transferred to financial expenses	-	-	-	11	-	-	11	-	11
Actuarial gains/(losses)	-	-	-	-	-	(309)	(309)	-	(309)
Tax on other comprehensive income	-	-	-	29	-	68	97	-	97
Other comprehensive income, net of tax	-	-	-	(68)	(23)	(241)	(332)	(7)	(339)
Total comprehensive income for the period	-	-	-	(68)	(23)	870	779	-	779
Transactions with owners:									
Share-based payments	-	-	-	-	-	35	35	-	35
Dividends distributed	-	-	-	-	-	(327)	(327)	-	(327)
Sale of treasury shares	-	-	2	-	-	216	218	-	218
Capital reduction	(2)	-	2	-	-	-	-	-	-
Addition/disposal of non-controlling interests	-	-	-	-	-	-	-	(15)	(15)
Dividends on treasury shares	-	-	-	-	-	14	14	-	14
Other adjustments	-	-	-	-	-	(4)	(4)	(13)	(17)
Tax on transactions with owners	-	-	-	-	-	29	29	-	29
Total transactions with owners	(2)	-	4	-	-	(37)	(35)	(28)	(63)
Equity at 30 September 2016	190	4,744	(5)	(12)	(312)	7,948	12,553	4	12,557

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 2016 Annual Report. The 2016 Annual Report provides a full description of Group accounting policies.

Changes in accounting policies

DSV A/S has implemented amendments to existing International Financial Reporting Standards (IFRS) effective as of 1 January 2017 as adopted by the European Union. The amendments have not impacted the Group's financial statements and are not expected to have any significant future impact.

Effective from 1 January 2017, DSV A/S has changed its accounting policies in terms of accounting for sale of land and buildings held for the purpose of sale in the ordinary course of business (property projects). These are now accounted for as inventory in accordance with IAS 2 rather than property, plant and equipment in accordance with IAS 16. This policy change has been adopted in order to provide a better understanding of the inherent effects of these transaction types on the financial statements. The basis for the revised accounting policy is disclosed in notes 4, 5 and 7 to the Interim Financial Statements.

Reclassifications

Minor reclassifications have been made to the balance sheet relating to the revised accounting policy on property projects. These are now classified as inventories (under work in progress) rather than assets held for sale and other receivables. Reclassifications amounted to DKK 583 million at 31 December 2016.

The revised accounting policy has no material effect on the income statement and as such no restatement has been applied to net revenue and direct costs.

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 at the reporting date. Estimates are continuously evaluated, and the effects of any changes are recognised in the relevant period.

3 Segment information

(DKKm)	Air & Sea		Road		Solutions		Other activities, non-allocated items and eliminations		Total	
	YTD 2017	YTD 2016	YTD 2017	YTD 2016	YTD 2017	YTD 2016	YTD 2017	YTD 2016	YTD 2017	YTD 2016
Condensed income statement										
Divisional net revenue	26,387	23,753	22,831	21,167	8,348	6,941	1,590	1,213	59,156	53,074
Intercompany revenue	(430)	(493)	(1,053)	(874)	(281)	(274)	(1,510)	(1,303)	(3,274)	(2,944)
Net revenue	25,957	23,260	21,778	20,293	8,067	6,667	80	(90)	55,882	50,130
Gross profit	6,532	6,308	4,028	3,863	2,007	1,889	(16)	(221)	12,551	11,839
Other external expenses	1,373	1,669	935	950	660	559	(626)	(726)	2,342	2,452
Staff costs	2,638	2,913	2,015	1,973	847	906	461	460	5,961	6,252
Amortisation and depreciation of intangibles, property, plant and equipment	85	152	108	121	191	182	182	134	566	589
Operating profit before special items	2,436	1,574	970	819	309	242	(33)	(89)	3,682	2,546
Condensed balance sheet										
Total assets	21,184	25,302	16,083	16,274	6,699	7,890	(4,760)	(9,797)	39,206	39,669
Total liabilities	25,569	28,064	9,516	8,961	6,710	6,664	(17,079)	(16,577)	24,716	27,112

4 Net revenue

Net revenue mainly comprises services provided in the financial year as well as changes in the completion of services in progress.

Revenue from services rendered is recognised when the agreed freight forwarding service is considered rendered and control of the cargo has passed to the customer or another logistics services provider. The time of recognition varies depending on the service rendered. Discounts are offset against net revenue. Net revenue is measured excluding VAT and other tax collected on behalf of third parties.

Net revenue furthermore comprises income from sale of property projects in the form of sale of land and buildings acquired, constructed and held for the purpose of sale in the ordinary course of business and gains from sale and leaseback transactions on office, terminal and warehouse facilities recognised as fixed assets. Revenue from property projects is recognised at the date of sale, when the significant risk, reward of ownership and managerial control are transferred to the buyer.

5 Direct costs

Direct costs comprise costs paid to generate the revenue for the year. Direct costs include settlement of accounts with haulage contractors, shipping companies, airlines, etc. Direct costs also include costs of property projects in the form of cost of land and buildings and other direct costs, including staff costs relating to own staff used for fulfilling orders and rental of logistics facilities as well as other operating costs.

6 Special items

Special items are used in connection with the presentation of the profit or loss for the period to distinguish the consolidated operating profit from exceptional items, which by their nature are not related to the Group's ordinary operations or investment in future activities.

Special items for the first nine months of 2017 totalled DKK 371 million (2016: DKK 866 million) and mainly related to restructuring costs in connection with the acquisition of UTi.

7 Work in progress (inventories)

Work in progress includes inventories of land and buildings held for the purpose of sale in the ordinary course of business. Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all cost of purchase, processing and other costs incurred in bringing the inventories to their present condition. Write-downs on inventories to net realisable value are recognised as direct costs in the income statement.

At 30 September 2017, inventories relating to land and buildings held for sale amounted to DKK 536 million.

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have considered and adopted the Interim Financial Report of DSV A/S for the nine-month period ended 30 September 2017.

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 Danish disclosure requirements for interim financial reports of listed companies.

In our opinion, the Interim Financial Statements give a true and fair view of the DSV Group's assets, equity, liabilities and financial position at 30 September 2017 and of the results of the Group's activities and the cash flow for the nine-month period ended 30 September 2017.

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, 26 October 2017

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