

Q1 2023 RESULTS

DSV A/S

Conference call

27 April 2023, 11:00 am CEST



Global Transport and Logistics

Agenda

- Highlights
- Business segments
- Financial review
- Q&A

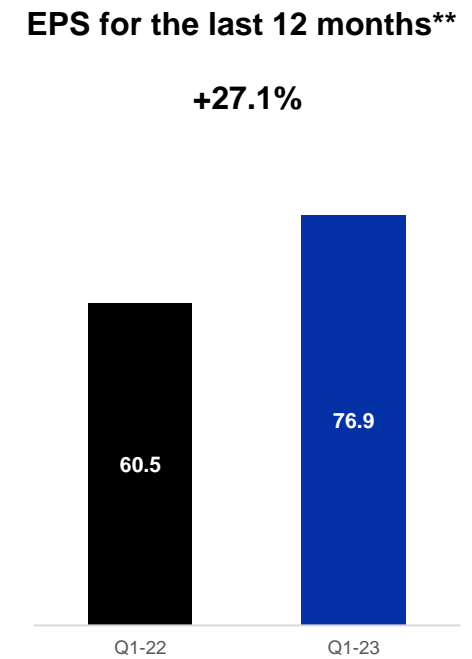
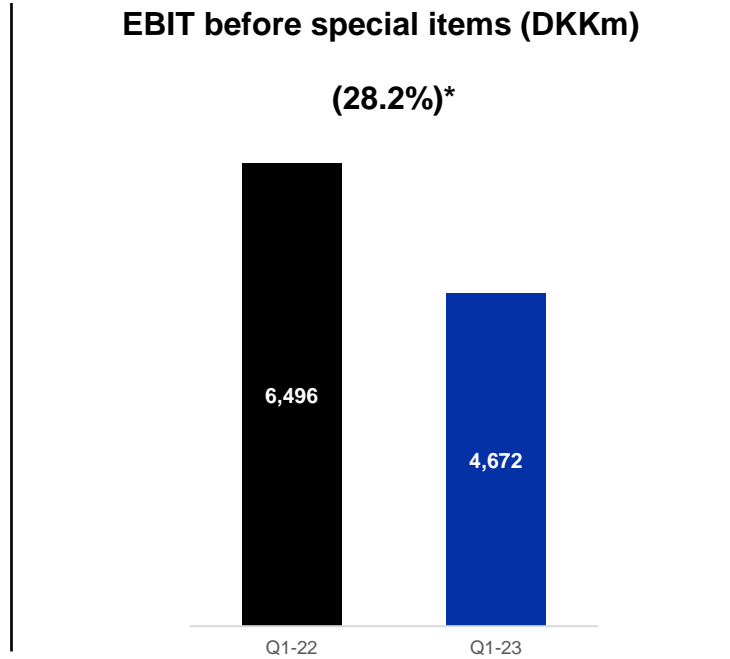
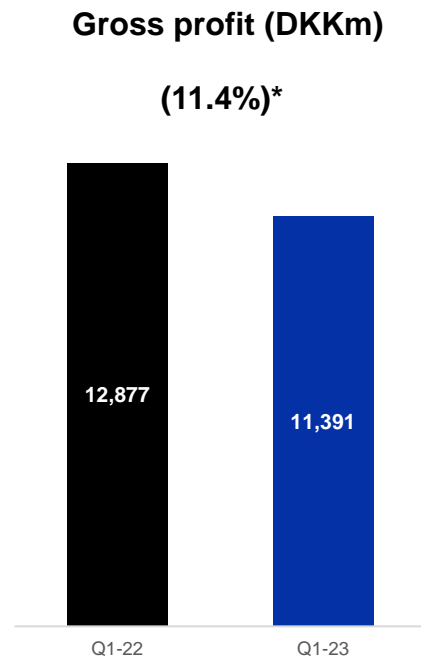
Forward-looking statements

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.

Highlights Q1 2023

- Solid start to 2023 despite a competitive market with declining freight volumes.
- Strong cash flow due to a significant reduction of net working capital.
- Reiterating 2023 EBIT guidance of **DKK 16 - 18 billion**.
- New three-month **DKK 4.5 billion** share buyback programme launched.



*) Growth rates are in constant currencies.

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

Air & Sea

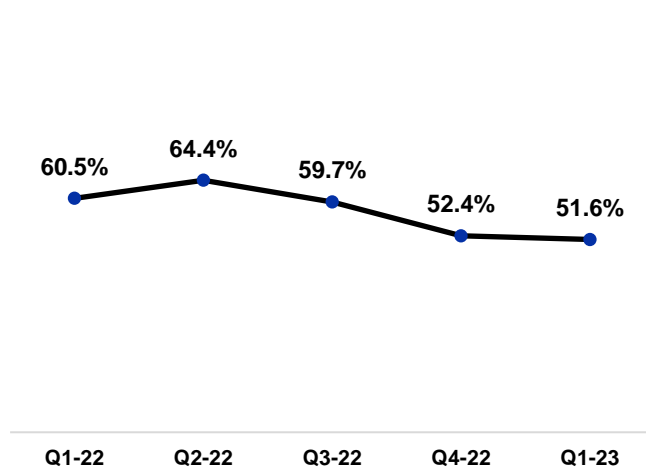
(DKKm)	Q1 2023	Q1 2022	Growth*
Gross profit Air	3,727	4,695	(20.7%)
Gross profit Sea	3,300	3,942	(16.4%)
Total gross profit	7,027	8,637	(18.7%)
EBIT	3,626	5,224	(30.7%)

*) Growth rates are in constant currencies.

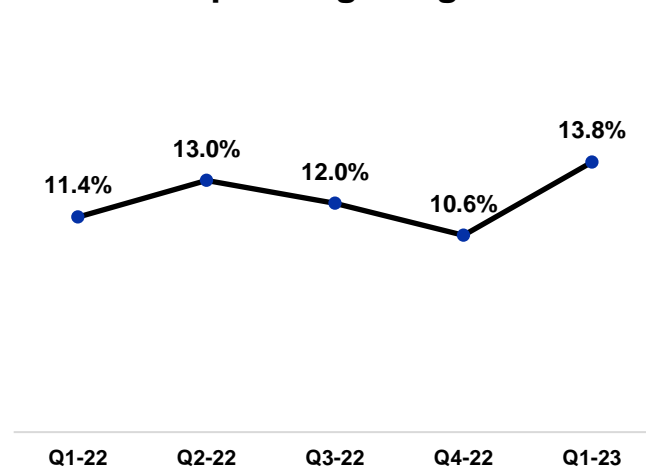
Management commentary

- Strong financial performance in a competitive market with declining volumes.
- Lower activity in the quarter was compensated by strong gross profit yields.
- We remain disciplined and focus on higher-yielding cargo. Still, our commercial efforts will be reinforced.
- Conversion ratio for the quarter was at satisfactory level. Relevant cost saving initiatives implemented to support productivity in the coming quarters.

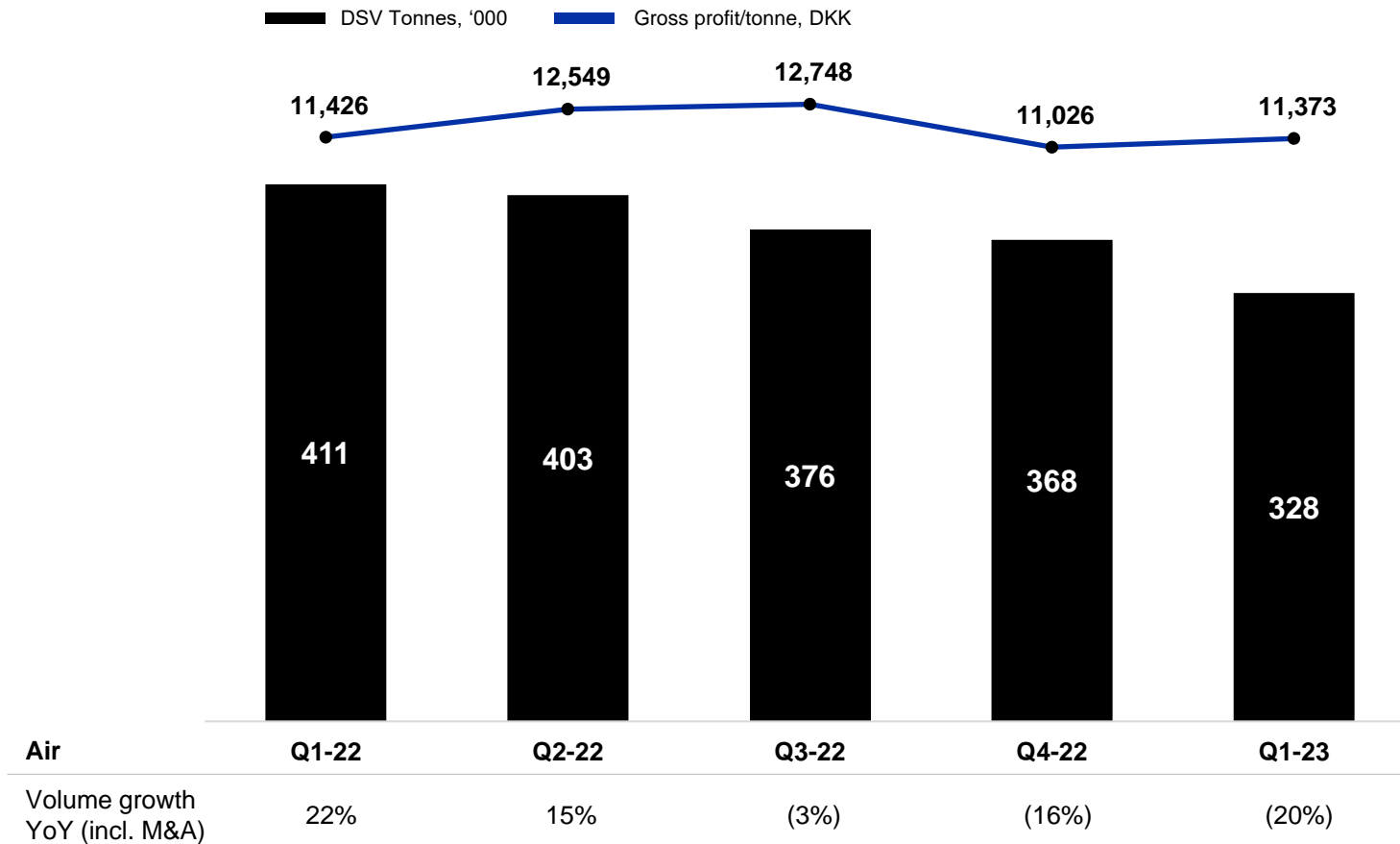
Conversion ratio



Operating margin



Air freight Q1 2023

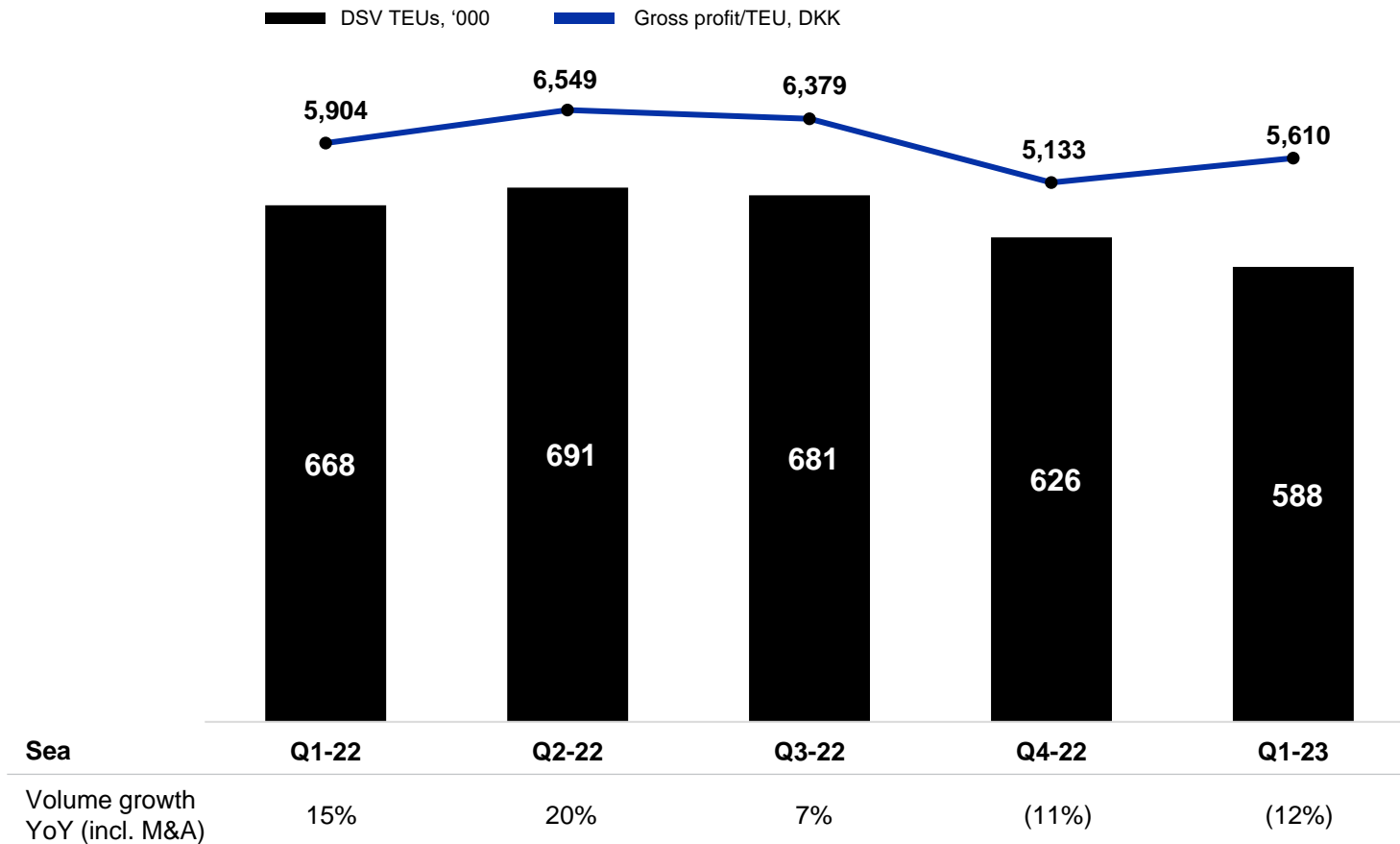


Management commentary

- Strong yield development – reflecting DSV’s pricing discipline and efficient capacity management.
- Global air freight volumes impacted by lower demand and a shift from air to sea. Momentum gradually improved during Q1-23.
- APAC exports volumes continue to show weakest development.
- We estimate that DSV’s volume development was slightly below the general market – impacted by our focus on higher-yielding cargo.

DSV’s volume growth was impacted by the addition of GIL in the period Q3-21 to Q3-22.

Sea freight Q1 2023



Management commentary

- Strong yield development – reflecting DSV’s pricing discipline and efficient capacity management.
- The negative development in global container volumes continued into Q1-23. However, momentum improved during the quarter.
- Weakest volume performance on Asia-Europe and Trans-Pacific.
- We estimate that DSV’s volume performance was slightly below the general market – impacted by our focus on higher-yielding cargo.

DSV’s volume growth was impacted by the addition of GIL in the period Q3-21 to Q3-22.

Road

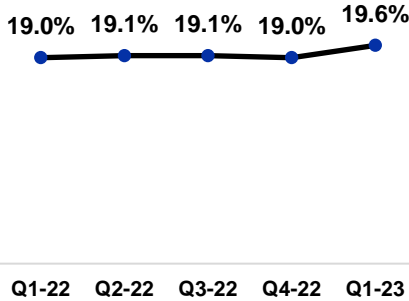
(DKKm)	Q1 2023	Q1 2022	Growth*
Revenue	10,094	10,188	0.1%
Gross profit	1,976	1,938	3.2%
EBIT	495	498	0.4%

*) Growth rates are in constant currencies.

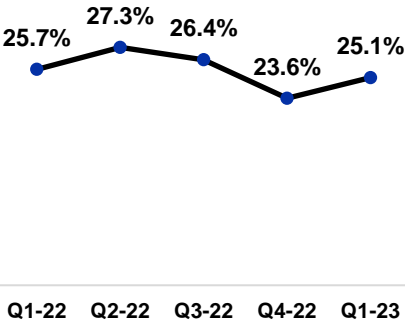
Management commentary

- Solid performance in a generally declining market. We estimate that DSV Road is gaining market share.
- For Q1-23 we achieved the best performance in Europe – especially in Germany.
- The positive development was supported by good performance on international traffics, including groupage shipments.
- This is in line with the division's strategy of strengthening its European groupage network.

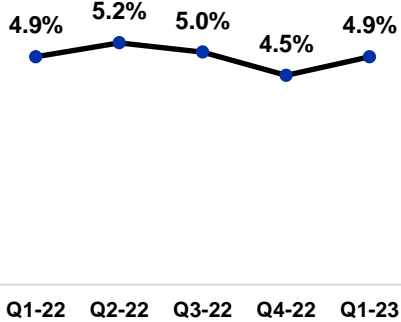
Gross margin



Conversion ratio



Operating margin



Solutions

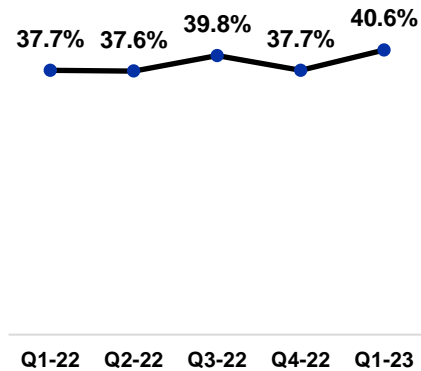
(DKKm)	Q1 2023	Q1 2022	Growth*
Revenue	5,625	6,162	(8.1%)
Gross profit	2,285	2,322	(1.4%)
EBIT	548	789	(31.0%)

*) Growth rates are in constant currencies.

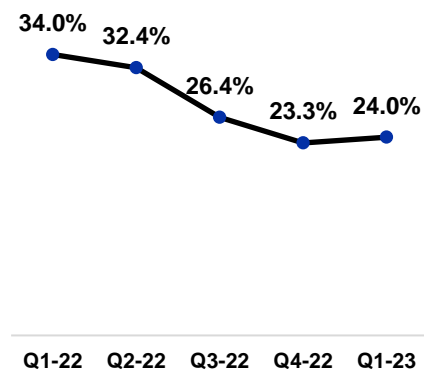
Management commentary

- Driven by the general market development we saw lower activity in the warehouses during Q1-23 and a slight decline in warehouse utilisation.
- Market slowdown was related to high-tech, retail and e-commerce sectors, but also noted in other industries.
- Americas achieved the best performance in Q1-23 compared to last year.
- The cost base was impacted by general cost inflation and higher depreciations. The increase in depreciations is a consequence of the division's growth and campus strategy, focusing on larger multi-user warehouses and automation.

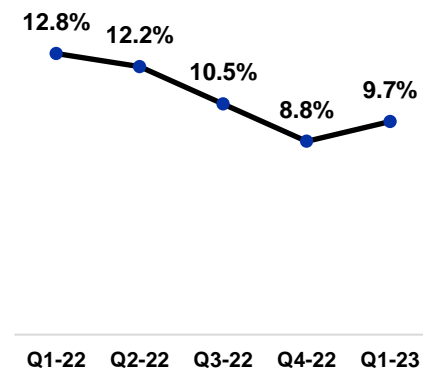
Gross margin



Conversion ratio



Operating margin



P&L Q1 2023

(DKKm)	Q1 2023	Q1 2022	Growth*
Headlines			
Revenue	40,954	61,125	(32.9%)
Gross profit	11,391	12,877	(11.4%)
EBIT before special items	4,672	6,496	(28.2%)
Profit for the period	3,287	4,386	
P&L items			
Cost base (staff, other ext., depreciations)	6,719	6,381	
Special items, costs	-	404	
Financial items, FX adj. (gain in “()”)	43	53	
Net financial costs, other	303	276	
KPIs			
Gross margin (%)	27.8	21.1	
Operating margin (%)	11.4	10.6	
Conversion ratio (%)	41.0	50.4	
Effective tax rate (%)	24.0	23.9	
Employees (end of period)	74,613	77,358	
Diluted adjusted EPS 12 months	76.9	60.5	27.1%

*) Growth rates are in constant currencies.

Management commentary

- Revenue in Q1-23 was impacted by lower freight rates and declining volumes. Gross profit was supported by continued strong yields for air and sea freight activities.
- Cost base impacted by inflation. Cost saving initiatives had limited effect in Q1-23 but will have impact in the coming quarters. However, this will be partly offset by cost inflation.
- Effective tax rate of 24% – in line with expectations.
- EPS growth of 27% for the last 12 months – driven by earnings growth in the period and a decline in average issued shares.

Cash flow Q1 2023

(DKKm)	Q1 2023	Q1 2022	Variance
EBITDA before special items	5,941	7,676	(1,735)
Change in working capital	1,989	(1,145)	3,134
Tax, interest, change in provisions, etc.	(1,677)	(833)	(844)
Special items	(132)	(397)	265
Cash flow from operating activities	6,121	5,301	820
Cash flow from investing activities	(397)	49	(446)
Free cash flow	5,724	5,350	374
Cash flow from financing activities	(4,144)	(2,930)	(1,214)
Calculation of adjusted free cash flow:			
Free cash flow	5,724	5,350	
Special items reversed	132	397	
Repayment of lease liabilities	(958)	(889)	
Adjusted free cash flow	4,898	4,858	40
KPIs			
Net working capital (NWC)	3,126	9,051	
NWC in % of revenue	1.9	3.7	
Net interest-bearing debt (NIBD)	28,960	29,621	
Gearing ratio (NIBD/EBITDA before special items)	1.0x	1.2x	
ROIC before tax (%)	23.2	23.1	
ROIC before tax (excl. goodwill and customer relationships, %)	97.8	88.2	

Management commentary

- Strong cash flow for Q1-23.
- A significant improvement in NWC helped offset the lower EBITDA and higher tax payments.
- NWC reduction was driven by lower average freight rates and lower activity.
- We constantly monitor NWC and optimise processes.
- Gearing ratio remained at 1.0x at the end of Q1-23. The gearing ratio is expected to increase as EBITDA declines in 2023.
- Weighted average duration of corporate bonds, committed loans and credit facilities was 8.0 years at the end of Q1-23.

Allocations to shareholders

Management commentary

- New safe harbour share buyback programme of **DKK 4.5 billion** starting 27 April 2023 and running until 24 July 2023.
- **2.5 million shares bought back** in Q1 2023 at an average price of DKK 1,208.
- On 26 April 2023, the portfolio of treasury shares was 3.3 million shares (representing 1.5% of the share capital).

Allocations to shareholders 2023 (DKKm)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Announced 2023
Dividend (DKK 6.50 per share)	1,424				1,424
Share buyback – rest of 2022 programme	1,197				1,197
Share buyback – 2.5 billion	1,822	678			2,500
Share buyback – 4.5 billion (estimated quarterly split)		3,300	1,200		4,500
Total announced allocations	4,443	3,978	1,200		9,621



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Outlook for 2023 reiterated

(DKKm)	Outlook 2023	Actual 2022
EBIT before special items	16,000-18,000	25,204
Effective tax rate	24.0%	23.9%

Main assumptions

- We expect the negative development in freight volumes to continue in the first part of 2023 and that markets will gradually recover in the second half of the year.
- We assume air and sea freight market volumes will decline by up to 5% for the full year. Air market is likely to underperform sea.
- As supply chain disruptions ease, we expect a decline in gross profit yields of around 20-25% compared to the average level in 2022.
- For Road and Solutions, we expect that markets will be flat or decline by low single digits in 2023.
- Across all divisions our aim of taking market share remains intact – with focus on profitable growth.
- We continue to monitor activity levels closely and adjust our capacity and cost base accordingly.
- We assume currency exchange rates will remain at current levels.

P&L details - Group

Group (DKKm)	FY 2018	FY 2019	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023
Revenue	79,053	94,701	115,932	33,616	37,831	49,557	61,302	182,306	61,125	62,749	60,560	51,231	235,665	40,954
Direct costs	61,564	70,947	87,398	25,831	29,498	39,734	49,628	144,691	48,248	48,671	47,022	39,575	183,516	29,563
Gross profit	17,489	23,754	28,534	7,785	8,333	9,823	11,674	37,615	12,877	14,078	13,538	11,656	52,149	11,391
Other external expenses	3,036	3,133	3,291	849	818	1,030	1,476	4,173	1,289	1,338	1,431	1,501	5,559	1,340
Staff costs	8,241	10,329	11,684	2,920	2,970	3,277	3,858	13,025	3,912	4,039	4,333	4,031	16,315	4,110
EBITDA before special items	6,212	10,292	13,559	4,016	4,545	5,516	6,340	20,417	7,676	8,701	7,774	6,124	30,275	5,941
Depreciation of right-of-use assets		2,734	2,990	752	730	771	891	3,144	892	912	942	1,037	3,783	962
Amortisation and depreciation of owned assets	762	904	1,049	197	244	273	336	1,050	288	336	326	338	1,288	307
EBIT before special items	5,450	6,654	9,520	3,067	3,571	4,472	5,113	16,223	6,496	7,453	6,506	4,749	25,204	4,672
Special Items, net costs	-	800	2,164	-	-	154	324	478	404	257	456	-	1,117	-
Financial income		131	254	208	(16)	119	(105)	206	67	76	83	380	606	90
Financial expenses - lease liabilities		383	434	119	108	125	143	495	162	175	181	209	727	195
Financial expenses	249	606	1,549	110	129	159	154	552	234	417	8	86	745	241
Profit before tax	5,201	4,996	5,627	3,046	3,318	4,153	4,387	14,904	5,763	6,680	5,944	4,834	23,221	4,326
Tax on profit for the period	1,213	1,290	1,369	717	791	992	1,150	3,650	1,377	1,610	1,518	1,045	5,550	1,039
Profit for the period	3,988	3,706	4,258	2,329	2,527	3,161	3,237	11,254	4,386	5,070	4,426	3,789	17,671	3,287
<i>Gross margin, %</i>	22.1	25.1	24.6	23.2	22.0	19.8	19.0	20.6	21.1	22.4	22.4	22.8	22.1	27.8
<i>Operating margin, %</i>	6.9	7.0	8.2	9.1	9.4	9.0	8.3	8.9	10.6	11.9	10.7	9.3	10.7	11.4
<i>Conversion ratio, %</i>	31.2	28.0	33.4	39.4	42.9	45.5	43.8	43.1	50.4	52.9	48.1	40.7	48.3	41.0
<i>Tax percentage</i>	23.3	25.8	24.3	23.5	23.8	23.9	26.2	24.5	23.9	24.1	25.5	21.6	23.9	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	1,942	2,021	7,647	1,886
Number of full-time employees (end of period)	47,394	61,216	56,621	57,642	59,871	79,325	77,958	77,958	77,358	76,071	76,715	76,283	76,283	74,613

P&L details – Air & Sea

Air & Sea (DKKm)	FY 2018	FY 2019	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023
Divisional revenue	36,972	51,151	73,689	22,924	25,948	36,861	46,168	131,901	45,887	47,282	45,339	35,923	174,431	26,213
Direct costs	27,779	38,634	56,780	18,136	20,806	30,547	38,643	108,132	37,250	37,707	36,204	28,646	139,807	19,186
Gross profit	9,193	12,517	16,909	4,788	5,142	6,314	7,525	23,769	8,637	9,575	9,135	7,277	34,624	7,027
Other external expenses	1,854	2,267	2,870	753	663	814	1,136	3,366	1,076	1,028	1,097	1,043	4,244	1,023
Staff costs	3,560	5,093	6,048	1,445	1,435	1,698	2,020	6,598	2,033	2,082	2,276	2,080	8,471	2,093
EBITDA before special items	3,779	5,157	7,991	2,590	3,044	3,802	4,369	13,805	5,528	6,465	5,762	4,154	21,909	3,911
Depreciation of right-of-use assets		484	679	136	144	189	239	708	220	216	217	249	902	214
Amortisation and depreciation of owned assets	86	167	286	61	57	92	119	329	84	86	90	89	349	71
EBIT before special items	3,693	4,506	7,026	2,393	2,843	3,521	4,011	12,768	5,224	6,163	5,455	3,816	20,658	3,626
<i>Gross margin, %</i>	24.9	24.5	22.9	20.9	19.8	17.1	16.3	18.0	18.8	20.3	20.1	20.3	19.8	26.8
<i>Operating margin, %</i>	10.0	8.8	9.5	10.4	11.0	9.6	8.7	9.7	11.4	13.0	12.0	10.6	11.8	13.8
<i>Conversion ratio, %</i>	40.2	36.0	41.6	50.0	55.3	55.8	53.3	53.7	60.5	64.4	59.7	52.4	59.7	51.6
Number of full-time employees (end of period)	12,130	21,516	18,008	17,999	18,067	25,742	24,675	24,675	23,700	23,292	23,225	23,032	23,032	22,270
Air & Sea split and volume														
Air														
Revenue, DKKm	18,892	27,134	44,756	12,975	14,197	18,399	25,275	70,846	24,207	25,032	22,499	18,853	90,591	14,265
Gross profit DKKm	4,627	6,594	10,275	2,762	2,897	3,329	4,063	13,051	4,695	5,052	4,793	4,063	18,603	3,727
Airfreight, ton	689,045	1,071,266	1,272,405	336,307	349,210	386,702	438,614	1,510,833	410,911	402,594	375,990	368,477	1,557,972	327,712
GP/ton, DKK	6,715	6,155	8,075	8,213	8,296	8,609	9,263	8,638	11,426	12,549	12,748	11,026	11,941	11,373
Sea														
Revenue, DKKm	18,080	24,017	28,933	9,949	11,751	18,462	20,893	61,055	21,680	22,250	22,840	17,070	83,840	11,948
Gross profit DKKm	4,566	5,923	6,634	2,026	2,245	2,985	3,462	10,718	3,942	4,523	4,342	3,214	16,021	3,300
Sea freight, TEU	1,442,348	1,907,126	2,204,902	581,019	573,385	633,690	705,857	2,493,951	667,653	690,621	680,683	626,190	2,665,147	588,207
GP/TEU, DKK	3,166	3,106	3,009	3,487	3,915	4,711	4,905	4,298	5,904	6,549	6,379	5,133	6,011	5,610

P&L details – Road and Solutions

Road (DKKm)	FY 2018	FY 2019	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023
Divisional revenue	31,243	31,621	30,395	8,056	8,663	8,783	9,914	35,416	10,188	10,835	10,406	10,078	41,507	10,094
Direct costs	25,935	25,465	24,257	6,399	6,895	7,038	7,989	28,321	8,250	8,761	8,417	8,168	33,596	8,118
Gross profit	5,308	6,156	6,138	1,657	1,768	1,745	1,925	7,095	1,938	2,074	1,989	1,910	7,911	1,976
Other external expenses	1,326	1,060	1,021	258	272	282	310	1,122	341	373	342	369	1,425	363
Staff costs	2,706	2,864	2,799	742	779	761	867	3,149	871	904	895	873	3,543	902
EBITDA before special items	1,276	2,232	2,318	657	717	702	748	2,824	726	797	752	668	2,943	711
Depreciation of right-of-use assets		862	828	236	220	196	206	858	205	202	193	185	785	185
Amortisation and depreciation of owned assets	129	119	100	18	21	41	29	109	23	29	34	32	118	31
EBIT before special items	1,147	1,251	1,390	403	476	465	513	1,857	498	566	525	451	2,040	495
<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	19.0	19.1	19.6
<i>Operating margin, %</i>	3.7	4.0	4.6	5.0	5.5	5.3	5.2	5.2	4.9	5.2	5.0	4.5	4.9	4.9
<i>Conversion ratio, %</i>	21.6	20.3	22.6	24.3	26.9	26.6	26.6	26.2	25.7	27.3	26.4	23.6	25.8	25.1
Number of full-time employees (end of period)	12,850	13,644	14,003	14,222	15,503	16,942	16,888	16,888	17,001	16,484	16,496	16,701	16,701	16,291

Solutions (DKKm)	FY 2018	FY 2019	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023
Divisional revenue	13,229	14,390	14,608	3,609	3,997	4,739	6,389	18,734	6,162	6,182	5,841	6,224	24,409	5,625
Direct costs	10,194	9,421	9,239	2,261	2,620	3,022	4,178	12,081	3,840	3,858	3,516	3,877	15,091	3,340
Gross profit	3,035	4,969	5,369	1,348	1,377	1,717	2,211	6,653	2,322	2,324	2,325	2,347	9,318	2,285
Other external expenses	955	1,088	1,089	281	297	348	412	1,338	423	405	448	483	1,759	453
Staff costs	1,141	1,306	1,449	377	377	418	492	1,664	525	552	600	577	2,254	588
EBITDA before special items	939	2,575	2,831	690	703	951	1,307	3,651	1,374	1,367	1,277	1,287	5,305	1,244
Depreciation of right-of-use assets		1,326	1,422	369	359	378	440	1,546	461	486	525	595	2,067	557
Amortisation and depreciation of owned assets	230	236	248	58	66	87	119	330	124	128	139	146	537	139
EBIT before special items	709	1,013	1,161	263	278	486	748	1,775	789	753	613	546	2,701	548
<i>Gross margin, %</i>	22.9	34.5	36.8	37.4	34.5	36.2	34.6	35.5	37.7	37.6	39.8	37.7	38.2	40.6
<i>Operating margin, %</i>	5.4	7.0	7.9	7.3	7.0	10.3	11.7	9.5	12.8	12.2	10.5	8.8	11.1	9.7
<i>Conversion ratio, %</i>	23.4	20.4	21.6	19.5	20.2	28.3	33.8	26.7	34.0	32.4	26.4	23.3	29.0	24.0
Number of full-time employees (end of period)	20,025	22,777	21,478	22,188	22,814	32,007	31,866	31,866	31,845	31,730	32,588	32,077	32,077	31,511

Balance sheet

(DKKm)									
Assets	31.03.2023	31.03.2022	Variance	31.12.2022	Equity and liabilities	31.03.2023	31.03.2022	Variance	31.12.2022
Intangibles assets	77,020	77,940	(920)	77,674	DSV shareholders' share of equity	70,503	75,621	(5,118)	71,519
Right-of-use assets	14,782	14,165	617	14,694	Non-controlling interests	217	197	20	222
Property, plant and equipment	6,363	6,309	54	6,284	Total equity	70,720	75,818	(5,098)	71,741
Other receivables	2,371	2,407	(36)	2,461	Lease liabilities	13,236	12,562	674	13,190
Deferred tax assets	3,396	3,248	148	3,494	Borrowings	21,433	21,487	(54)	21,398
					Pensions and similar obligations	1,270	673	597	1,183
					Provisions	4,179	3,477	702	4,260
					Deferred tax liabilities	464	503	(39)	504
Total non-current assets	103,932	104,069	(137)	104,607	Total non-current liabilities	40,582	38,702	1,880	40,535
Trade receivables	26,570	39,251	(12,681)	32,387	Lease liabilities	3,611	3,442	169	3,577
Contract assets	4,724	8,778	(4,054)	5,785	Borrowings	1,221	2,644	(1,423)	814
Inventories	2,602	958	1,644	1,889	Trade payables	13,514	16,899	(3,385)	14,992
Other receivables	5,217	4,188	1,029	4,179	Accrued cost of services	10,460	14,537	(4,077)	12,085
Cash and cash equivalents	11,682	11,049	633	10,160	Provisions	2,325	2,074	251	2,407
Assets held for sale	45	15	30	38	Other payables	9,688	10,615	(927)	9,640
					Tax payables	2,651	3,577	(926)	3,254
Total current assets	50,840	64,239	(13,399)	54,448	Total current liabilities	43,470	53,788	(10,318)	46,769
Total assets	154,772	168,308	(13,536)	159,045	Total equity and liabilities	154,772	168,308	(13,536)	159,045
Net working capital (NWC)	3,126	9,051	(5,925)	5,116	Net interest-bearing debt (NIBD)	28,960	29,621	(661)	29,870

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 2023

- 02 Feb. 2023** Annual Report 2022
- 16 Mar. 2023** Annual General Meeting 2023
- 27 Apr. 2023** Interim Financial Report, Q1 2023
- 25 Jul. 2023** Interim Financial Report, H1 2023
- 24 Oct. 2023** Interim Financial Report, Q3 2023

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