

## 2019 ANNUAL REPORT

### Company Announcement No. 815

“Q4 2019 was in line with our expectations and we can report EBIT of DKK 6,654 million for 2019, an 8.4% organic growth on 2018. 2019 was a strong year for our company – not least thanks to the acquisition of Panalpina in August 2019. A large part of our organisation is now working hard on the integration and things are progressing well. For 2020, we expect EBIT in the DKK 8,200-8,700 million range, and our shareholders can expect significant returns via share buybacks. It is difficult to predict the market situation in 2020; currently the corona virus situation is impacting global supply chains and creating uncertainty. However, at this stage it is not possible to predict the financial impact,” says Jens Bjørn Andersen, CEO.

#### Selected financial highlights for 2019 (1 January - 31 December 2019)

(DKKm)	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Revenue	30,122	20,945	94,701	79,053
Gross profit	7,084	4,447	23,754	17,489
EBIT before special items	1,784	1,338	6,654	5,450
Special items	609	-	800	-
Operating margin	5.9%	6.4%	7.0%	6.9%
Conversion ratio	25.2%	30.1%	28.0%	31.2%
Adjusted earnings			4,456	4,093
Adjusted free cash flow			3,678	3,916
Diluted adjusted earnings per share of DKK 1			22.1	22.1
Proposed dividend per share (DKK)			2.50	2.25
<hr/>				
EBIT before special items				
Air & Sea	1,195	897	4,506	3,693
Road	272	239	1,251	1,147
Solutions	340	223	1,013	709

#### Q4 2019 results

For Q4 2019, revenue amounted to DKK 30,122 million (Q4 2018: DKK 20,945 million). Panalpina's estimated contribution for the quarter was DKK 9,353 million. The organic growth rate was negative by 1.1%.

For Q4 2019, gross profit came to DKK 7,084 million (Q4 2018: DKK 4,447 million). Panalpina's estimated contribution for the quarter was DKK 1,841 million. The organic growth in gross profit came to 4.4% for the Group and was mainly driven by the Air & Sea and Solutions divisions.

EBIT before special items was up by 9.9% (in constant currencies, adjusted for IFRS 16 and the inclusion of Panalpina) to DKK 1,784 million for Q4 2019 (Q4 2018: DKK 1,338 million). The growth was mainly driven by the Air & Sea

DSV Panalpina A/S, Hovedgaden 630, 2640 Hedehusene, Denmark, tel. +45 43 20 30 40, CVR No. 58233528, [www.dsv.com](http://www.dsv.com).

#### DSV Panalpina Group

We provide and manage supply chain solutions for thousands of companies every day – from the small family run business to the large global corporation. Our reach is global, yet our presence is local and close to our customers. 60,000 employees in more than 80 countries work passionately to deliver great customer experiences and high-quality services. Read more at [www.dsv.com](http://www.dsv.com)

and Solutions divisions. Panalpina's estimated contribution for the quarter was DKK 175 million and was positively impacted by cost synergies.

#### **Dividend**

The Board of Directors proposes ordinary dividends of DKK 2.50 per share for 2019 (2018: DKK 2.25 per share).

#### **Outlook for 2020**

- EBIT before special items is expected to be in the range of DKK 8,200-8,700 million.
- Special items are expected in the level of DKK 1,500 million
- The effective tax rate of the Group is expected to be approximately 23%.

#### **Share buy-back**

A separate company announcement about the launch of a new share buyback programme of up to DKK 6,000 million will be issued today. The programme will run until 30 July 2020.

#### **Investor teleconference**

DSV will host an investor teleconference on 7 February 2020 at 11.00 a.m. CET. Please refer to [investor.dsv.com](http://investor.dsv.com) for details.

#### **Contacts**

Investor Relations

Flemming Ole Nielsen, tel. +45 43 20 33 92, [flemming.o.nielsen@dsv.com](mailto:flemming.o.nielsen@dsv.com)

Frederikke Anna Linde, tel. +45 43 20 31 95, [frederikke.a.linde@dsv.com](mailto:frederikke.a.linde@dsv.com)

Media

Christian Krogslund, tel. +45 43 20 41 28, [christian.krogslund@dsv.com](mailto:christian.krogslund@dsv.com)

Yours sincerely,  
DSV Panalpina A/S