

COMPLETION OF THE ACQUISITION OF AGILITY'S GLOBAL INTEGRATED LOGISTICS BUSINESS

Company Announcement No. 904

Today, DSV Panalpina A/S ("DSV") expects to complete the previously announced agreement to acquire Agility's Global Integrated Logistics business ("GIL"), which is the global logistics division of Agility Public Warehousing Company K.S.C.P. ("Agility"). The acquisition is an all-share transaction. Please refer to Company announcement No. 881 of 27 April 2021.

GIL has around 17,000 employees and generates an annual revenue of USD 4.6 billion (DKK 29.0 billion, based on last 12 months), of which approximately 80% is related to Air and Sea freight. The combination of DSV and GIL creates a global top-three player in the freight forwarding industry with an expected combined pro forma revenue of approximately DKK 160 billion (based on last 12 months) and a combined workforce of more than 75,000 employees.

Jens Bjørn Andersen, Group CEO of DSV Panalpina, comments:

"I am very pleased to welcome our new colleagues from GIL on this important day. There are many similarities when you look at our two companies both in terms of the business models and services and, not least, when we look at our shared focus on local empowerment and putting customers first. DSV and GIL simply constitute an excellent match. We will now start the integration, and together, we are going to grow the business and bring even more value to our many customers, partners and shareholders than we do separately."

Transaction details and expected financial impact

As consideration for 100% of GIL, Agility receives 19,304,348 DSV shares (with a nominal value of DKK 1 per share) representing approximately 8% of all post-transaction outstanding shares of DSV. This will make Agility the second largest DSV shareholder based on today's shareholder register, and DSV has agreed to nominate an Agility representative to DSV's Board of Directors after completion of the transaction.

The enterprise value of the transaction is approximately DKK 30.2 billion and equity value approximately DKK 29.6 billion. Transaction multiples: 21.5x EV/LTM adjusted EBIT and 1.0x EV/LTM sales. (Last twelve months: 1 July 2020 – 30 June 2021).

Assuming completion as expected, GIL will be included in the consolidated financial results of DSV as from today and is expected to contribute with approx. DKK 2,800 million to the combined EBIT before special items on an annual basis, once fully integrated. This is expected to have full-year effect from 2023 and includes synergies from the consolidation of operations, logistics facilities, back-office and IT infrastructure.

The transaction is expected to be EPS accretive (diluted and adjusted) by 2022. For full-year 2023, DSV expects the operating margin of the combined company will be lifted towards the DSV Group's current level.

The full year impact on EBIT before special items is based on a preliminary estimate. An update will be communicated in connection with the release of DSV's Q3 2021 interim financial report.

Despite the expected completion of the transaction today and in line with what has been agreed, regulatory clearances are pending in a limited number of jurisdictions where revenues individually and combined are insignificant compared to the combined post-completion revenue, and in each such jurisdiction completion of the acquisition and commencement of integration activities are awaiting the relevant regulatory clearance.

Outlook for 2021

Including the expected impact from GIL we upgrade the full-year outlook for 2021 as follows:

- EBIT before special items is expected to be in the range of DKK 13,750 - 14,500 million (previously DKK 12,500-13,000 million). Approximately DKK 750 million of the upgrade is related to the expected impact from GIL, and the rest to the performance of the existing DSV business.
- The effective tax rate is expected to approximate 23% (unchanged).

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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. 75,000 employees in more than 90 countries work passionately to deliver great customer experiences and high-quality services. Read more at www.dsv.com

The upgraded outlook for 2021 is based on the assumption that the current situation in the transport markets with strong demand, tight capacity and high rates will continue for the remainder of 2021 and that currency exchange rates will remain at current levels.

Analyst conference call

Group CEO Jens Bjørn Andersen and Group CFO Jens Lund will host an analyst conference call on 16 August 2021 at 11.00 AM CEST.

To attend the conference call, you may join one of the following:

- a. Webcast: Go to investor.dsv.com or follow this link <https://streams.eventcdn.net/dsv/conference-call-august-2021/>
- b. Conference call, with the following participant dial-in telephone numbers:

DK: +45 78 15 01 07

UK: +44 (0) 333 300 9031

US: +1 646 722 4903

No prior registration is required to attend the teleconference, but we recommend participants to dial in 10 minutes prior to the scheduled start time.

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Yours sincerely,
DSV Panalpina A/S

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 Agility; expected financial results and characteristics of the combined company; expected timing of the launch and closing of the proposed acquisition and satisfaction of conditions precedent, including regulatory conditions; and the expected benefits of the proposed acquisition, 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, considering 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 GIL 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 acquisition) of any of the foregoing risks or forward-looking statements, as well as other risk factors listed from time to time in 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 Agility. 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.

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