

Acquisition of Agility's Global Integrated Logistics business and DSV Panalpina Q1 2021 results

Conference call
27 April 2021
11:00 AM CEST



Forward-looking statements

This presentation contains forward-looking statements that reflect DSV Panalpina A/S's ("DSV") 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 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 Agility's Global Integrated Logistics business ("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 transaction with Agility Public Warehousing Company KSCP ("Agility")) 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 Agility'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 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.



Agenda

1 The acquisition
of GIL

2 Highlights

3 Business
segments

4 Financial
review

5 Outlook for
2021 raised

6 Q&A

Strategic rationale

Acquisition of Agility's Global Integrated Logistics business (GIL)

An excellent strategic match



- Adding significant volumes to Air & Sea.
- Creating a stronger and more global player in Solutions.
- Adding volumes to Road in EMEA.
- Similar asset-light business model and corporate culture with focus on customer service, entrepreneurship and corporate responsibility.

Consolidate infrastructure



- Leverage on DSV's scalable systems and IT infrastructure.
- Consolidation of operations, administration and logistics facilities.

Attractive financial business case



- Transaction to be EPS accretive (diluted and adjusted) in year 2 after closing.
- Aspiration to lift operating margin of the combined entity towards DSV's existing levels within the respective business areas.

GIL will add USD 4.0 billion annual revenue*

Attractive exposure to Air & Sea business



■ Air & Sea ■ Road ■ Contract Logistics

Strengthening our geographical footprint



■ EMEA ■ APAC ■ Americas

*Numbers based on FY2020



Transaction overview

Carve-out of GIL from Agility

Purchase price and financing

- 100% share deal.
- DSV will issue 19,304,348 new shares in exchange of GIL, representing approx. 8% of outstanding shares post-transaction.
- The share issue will be according to existing authorisation given to the DSV Panalpina Board of Directors.
- Based on the DSV share closing price of DKK 1,299.5 on 26 April 2021. Equity value: approx. USD 4.1 billion (DKK 25.1 billion), Enterprise Value: approx. USD 4.2 billion (DKK 26.0 billion).
- Transaction multiples: 0.94x EV/LTM sales and 23.2x EV/LTM adj. EBIT.

Conditionality

- The transaction is subject to regulatory approvals and approval by Agility's shareholders (simple majority required).
- Completion of the transaction is expected in the third quarter of 2021.

Other considerations

- After completion of the transaction, DSV has agreed to nominate an Agility designee to DSV's Board of Directors.

GIL at a glance (2020)

Global logistics division of Agility

Global logistics player

~4.0 USDbn revenue with direct presence in approx. 70 countries



Strong customer relationships with a good mix of **multinationals and SMEs**



17,000 dedicated employees in +500 locations worldwide



Global network and significant presence in emerging markets in particular **Middle East and APAC**



Significant global freight volumes

Industry competencies and know-how
Dedicated speciality teams for Chemicals, Project Logistics and Fairs & Events



Global air freight forwarding services
300,000 tonnes



Corporate responsibility efforts embedded in culture and business



Global sea freight forwarding services
600,000 TEUs



Contract logistics and road freight

1,400 million m² of contract logistics facilities mainly in **Middle East, APAC and Europe**

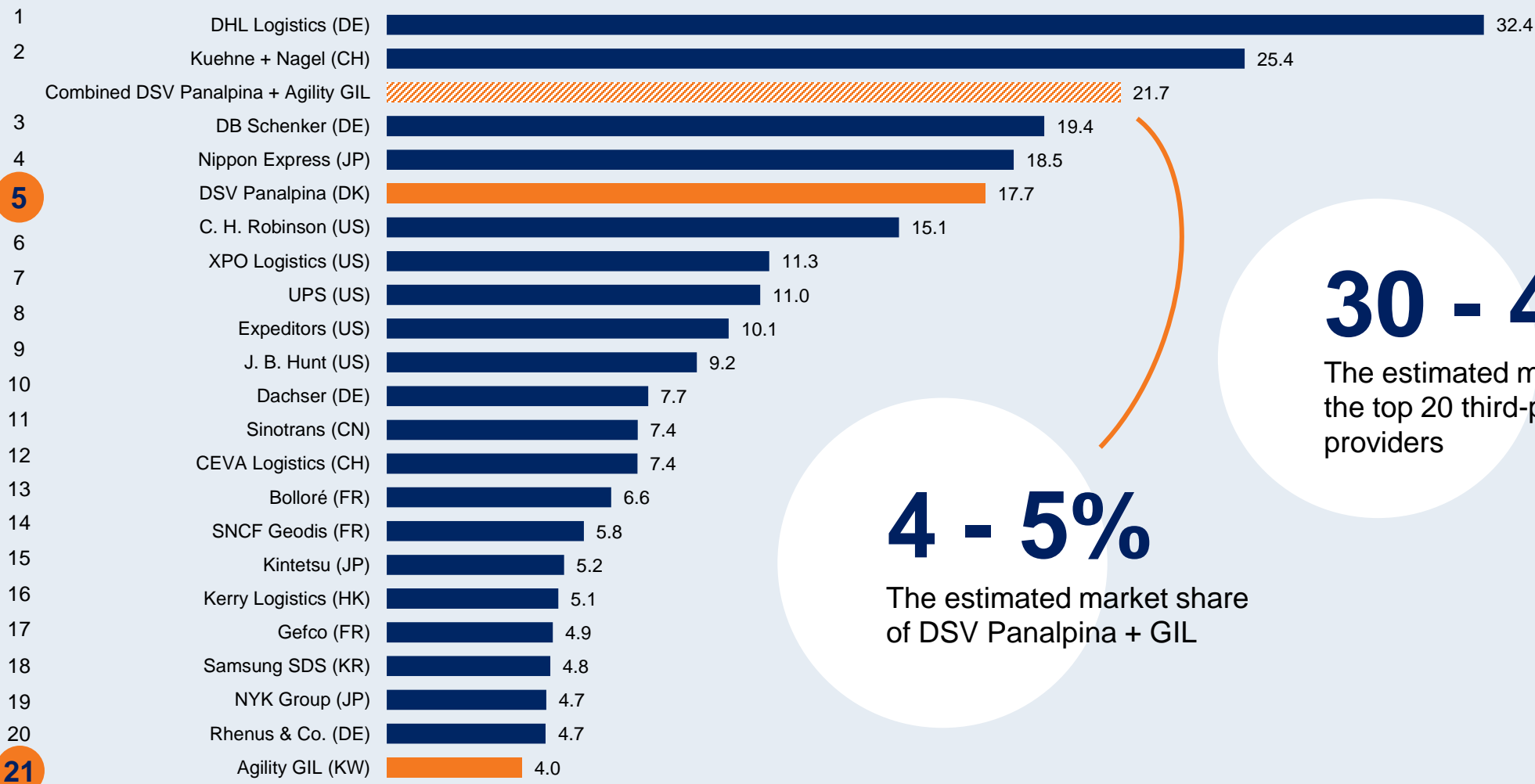


Road freight mainly in **Europe and the Middle East**



Creating a global top-three player

Third-party logistics providers by 2020 revenue in USD billion



30 - 40%
 The estimated market share of the top 20 third-party logistics providers

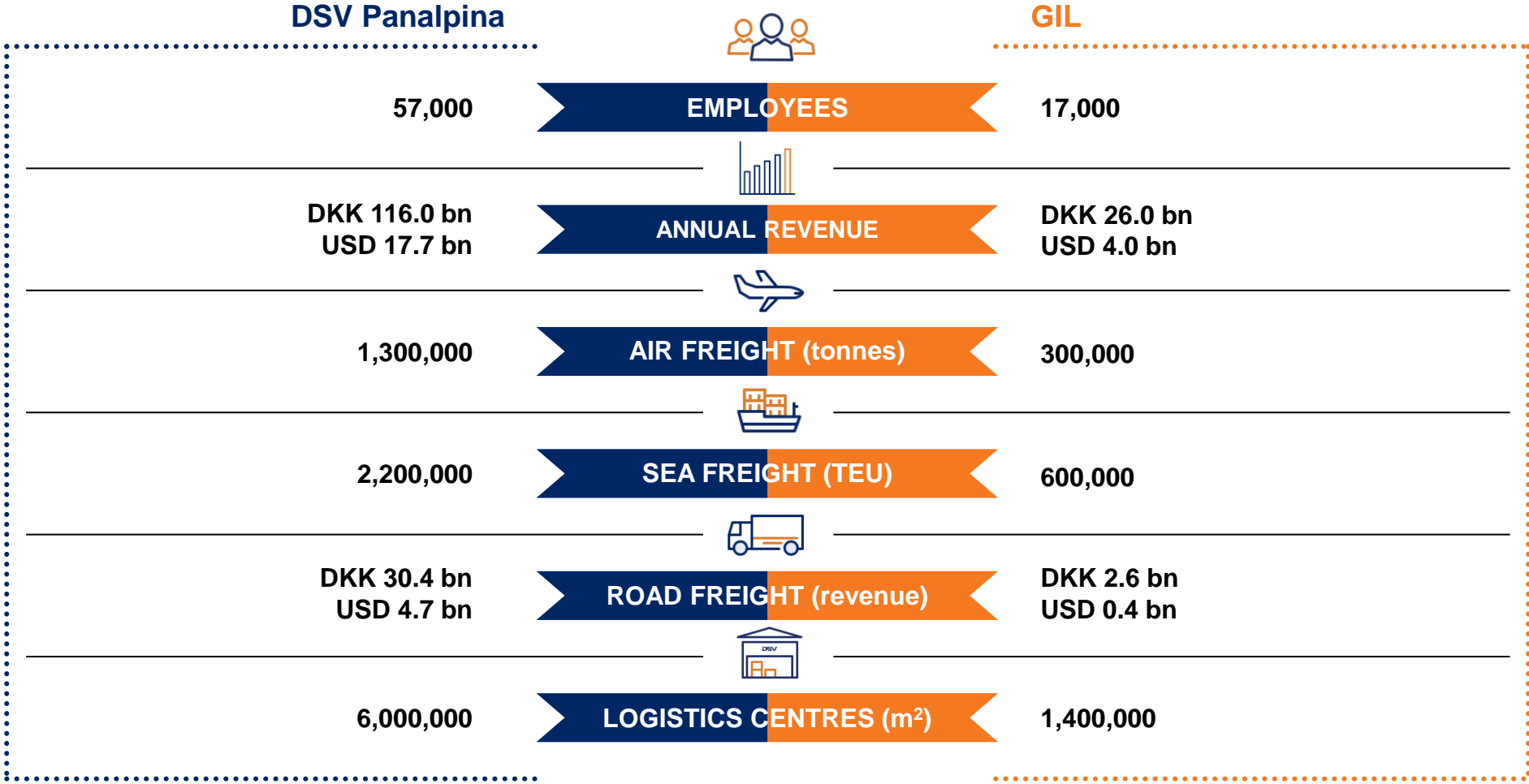
4 - 5%
 The estimated market share of DSV Panalpina + GIL

Source: Journal of Commerce, DSV estimates



Uniting the global networks

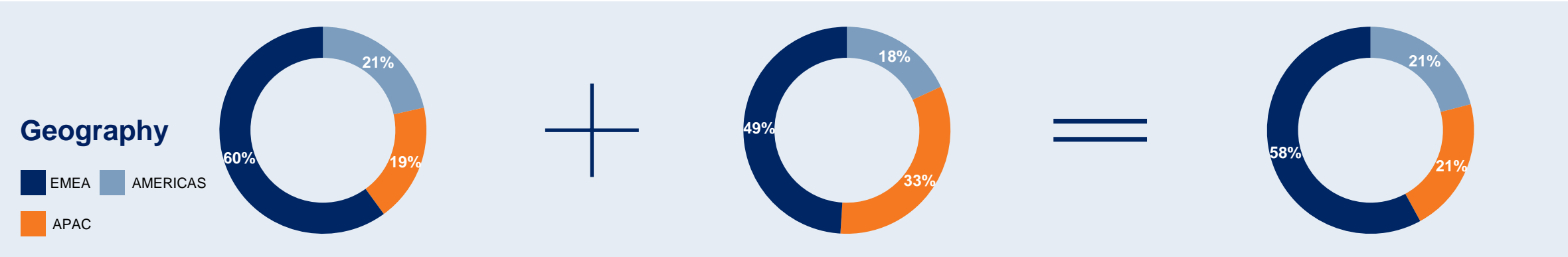
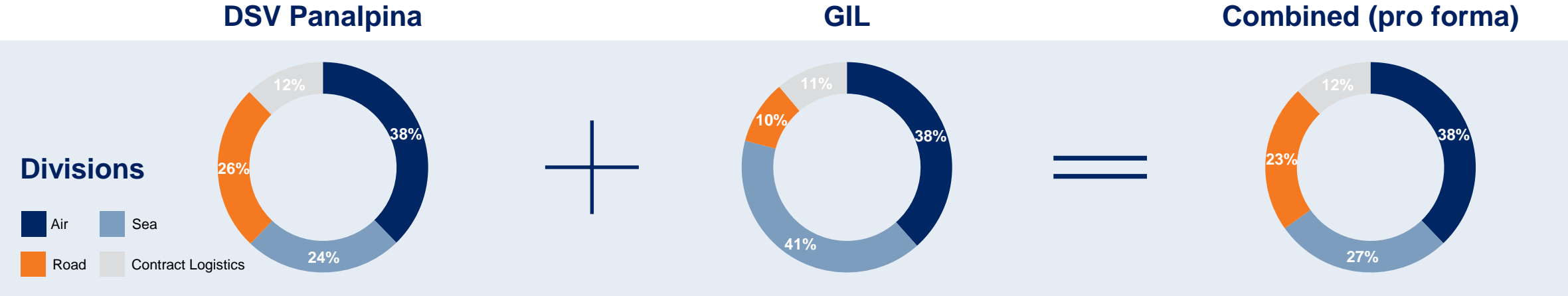
DSV Panalpina and GIL



Note
 Numbers based on FY2020, USD / DKK = 6.534 (average 2020).
 Illustrative purposes only.

DSV Panalpina and GIL combined (based on 2020 revenue)

Adding scale and expanding the global network



Note
 Based on FY2020 revenue. Geographic and business segment splits are estimated.
 Illustrative purposes only. USD / DKK = 6.534 (average 2020).

DSV Panalpina and GIL (2020 pro forma combined)

Adding approx. 23% to DSV Panalpina's annual revenue

Revenue



116,000 DKKk 26,000 DKKk

EBIT



9,500 DKKk (8.2% EBIT margin) 850 DKKk (3.2% EBIT margin)

Employees



57,000 (FTEs) 17,000 (FTEs)

Note

EBIT is before special items/non-recurring items for both DSV Panalpina and GIL based on FY2020
For illustrative purposes only. USD / DKK = 6.534 (average 2020).

■ DSV Panalpina ■ GIL

Key takeaways

Creating an industry leader in logistics

Creating a new top-three player in freight forwarding with a significantly strengthened market position in Air & Sea



GIL has strong presence in APAC and Middle East, which is a strong complement to DSV's network

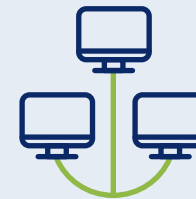


Consolidation of operations, administration and logistics facilities

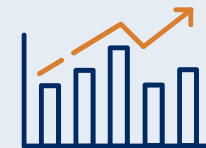
Highly experienced integration teams



Leverage on DSV's scalable systems and IT infrastructure



Target of EPS accretion* in year 2 after closing of the transaction. Aspiration to lift operating margins to DSV's levels within the respective business areas



**) diluted and adjusted*

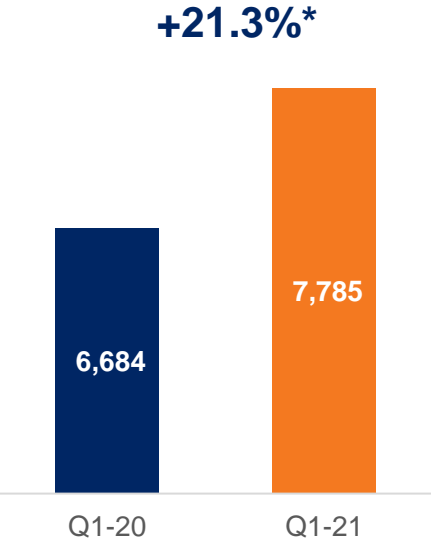
Q1 2021 RESULTS DSV PANALPINA A/S



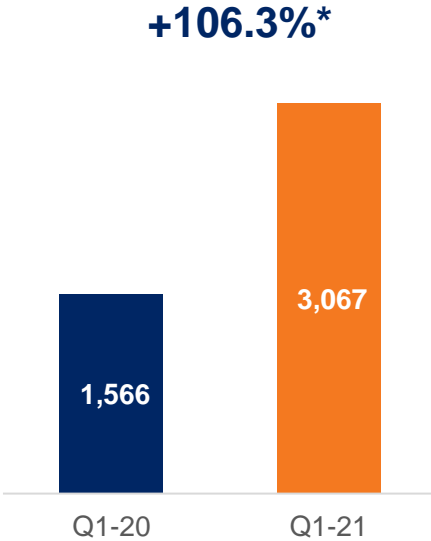
Highlights Q1 2021

- Strong growth driven by all three divisions.
- New **DKK 4,000 million** share buyback programme initiated.
- 2021 EBIT guidance upgraded to **DKK 11,250 - 12,000 million** (previously DKK 10,500 – 11,500 million).
- Capital markets day postponed due to GIL acquisition.

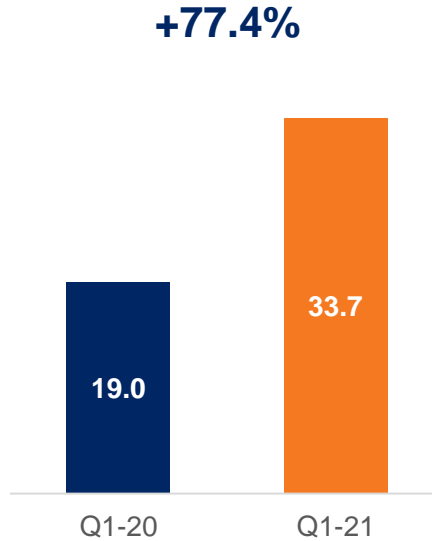
Gross profit (DKK m)



EBIT before special items (DKK m)



EPS for the last 12 months**





*) Growth rates are in constant currencies.

**) Diluted adjusted earnings per share of DKK 1 for the last 12 months.

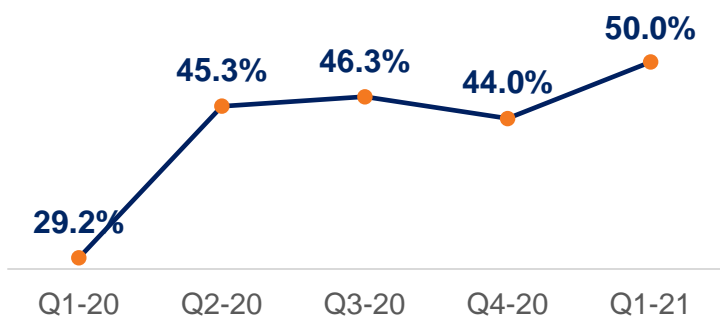


Air & Sea Q1 2021

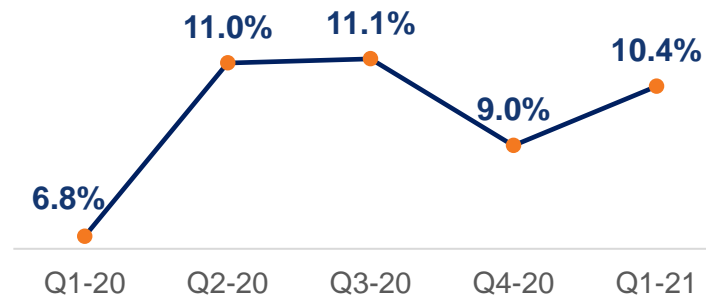
(DKKm)		Q1 2021	Q1 2020	Growth*
Gross profit		2,026	1,722	23.8%
Gross profit		2,762	2,153	35.6%
Total gross profit		4,788	3,875	30.4%
EBIT		2,393	1,130	126.0%

*) Growth rates are in constant currencies.

Conversion ratio



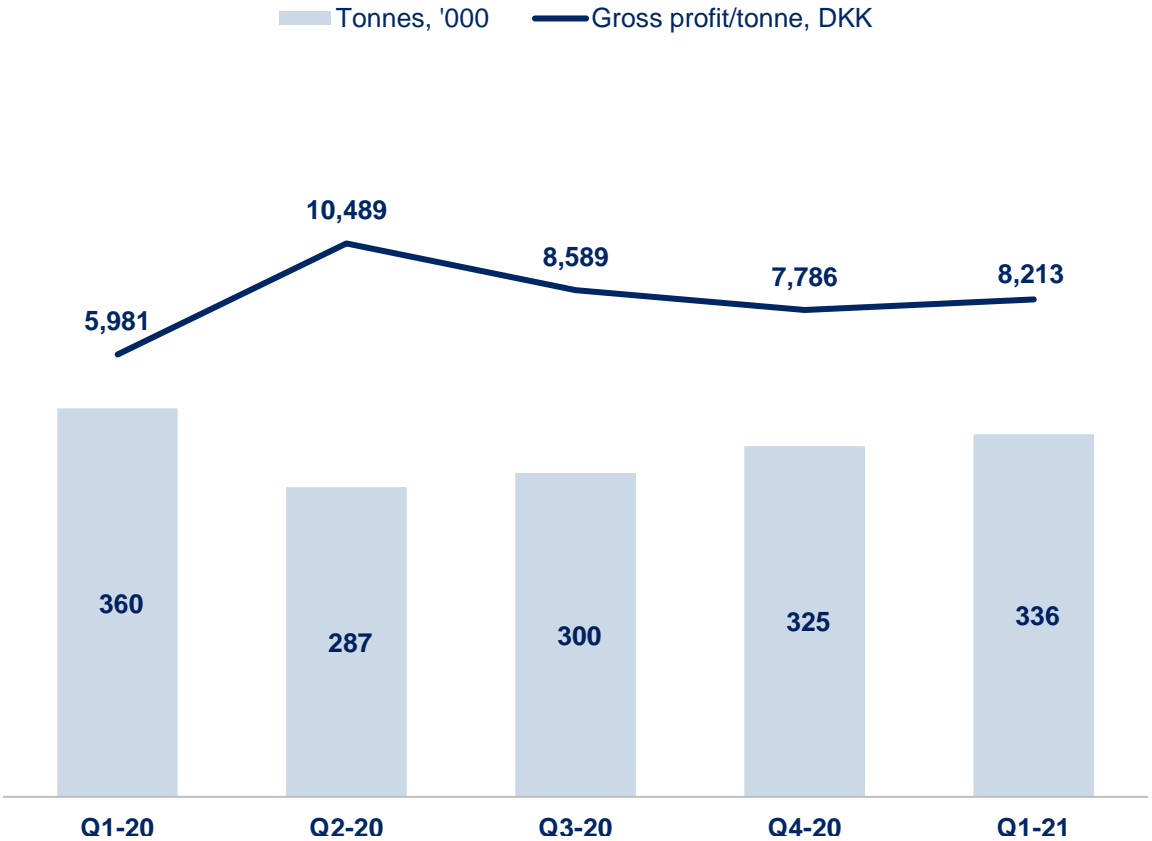
Operating margin



Management commentary

- Significant EBIT growth driven by growth in gross profit and full-year impact of synergies and cost savings.
- Conversion ratio at record high 50.0% for the quarter, driven by improved productivity and the extraordinary market conditions.
- All regions contributed to the strong performance.
- Asia export remains strong, Europe export is lacking.

Air freight Q1 2021



Volume growth air

DSV (including M&A)	112%	69%	4%	(26%)*	(7%)
Market estimate	(8-10%)	(25-30%)	(14-17%)	(8-10%)	5-7%

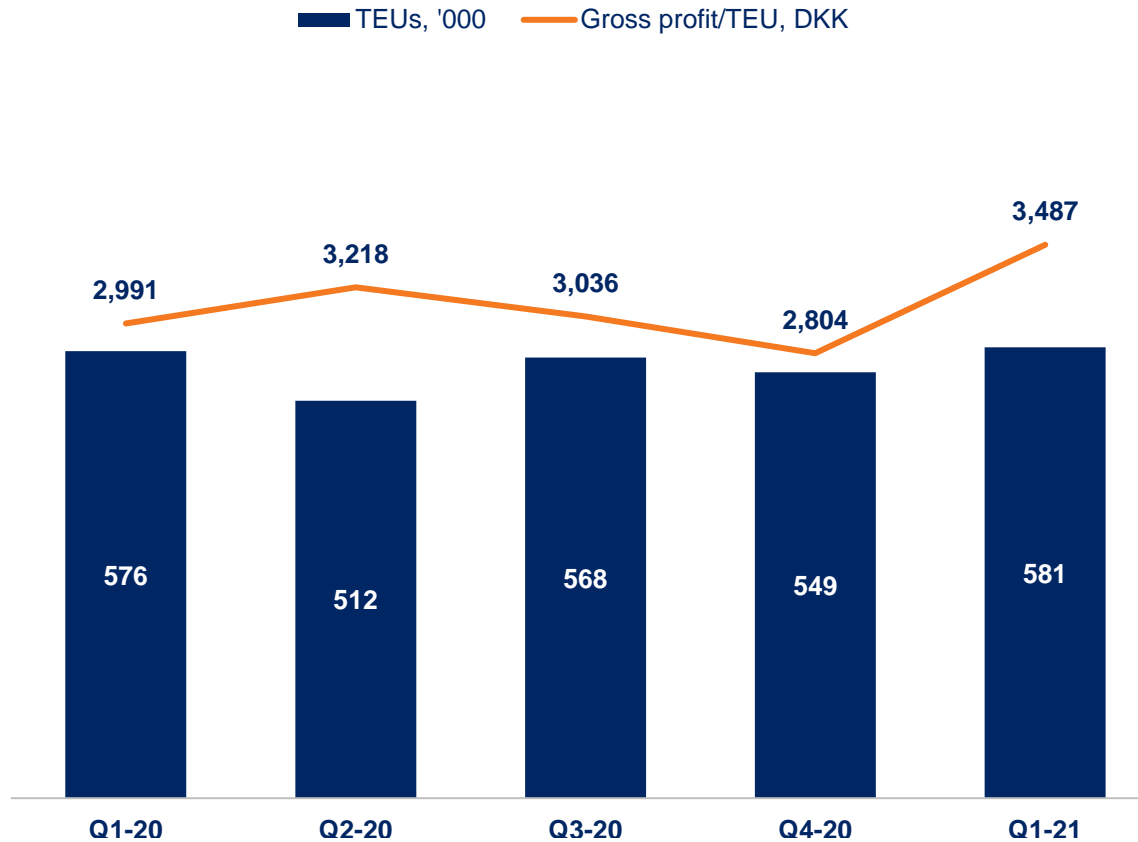
*) Q4 2020 is the first quarter with full impact of the Panalpina acquisition on comparative figures.

Management commentary

- DSV’s volumes are still impacted by discontinued Panalpina activities.
- On a like-for-like basis, volumes increased by approx. 3% in Q1-21**.
- Growth accelerated by the end of Q1-21, as comparison numbers from 2020 were impacted by COVID-19.
- The continued lack of capacity is keeping yields at extraordinary high levels.

***) Adjusted for disposal of Airflo and discontinued freight management activity.

Sea freight Q1 2021



Volume growth sea




DSV (including M&A)	60%	31%	9%	(14%)*	1%
Market estimate	(5-7%)	(15-20%)	(0-3%)	3-5%	5-7%

*) Q4 2020 is the first quarter with full impact of the Panalpina acquisition on comparative figures.

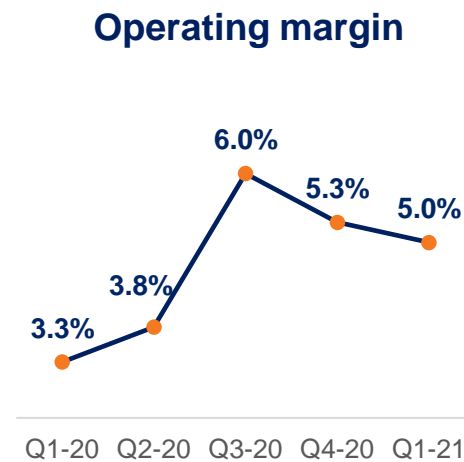
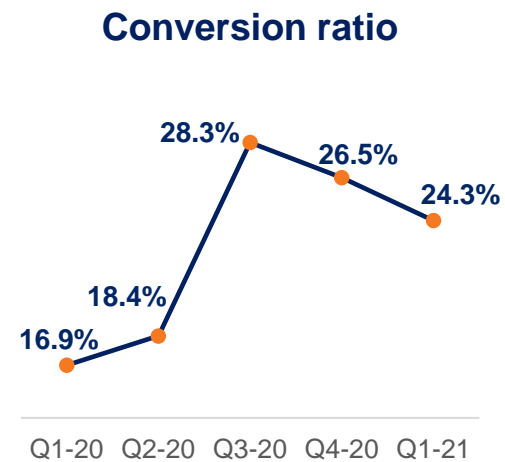
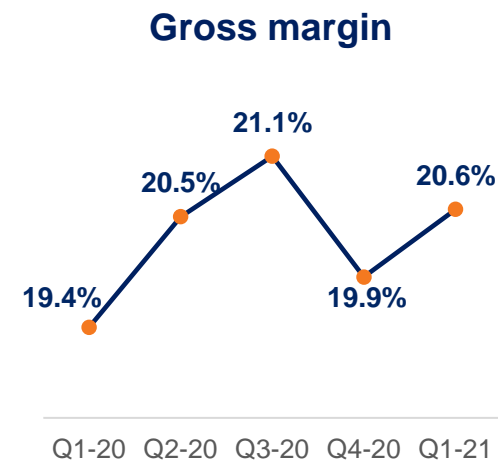
Management commentary

- DSV's volume performance was closing in on the market in Q1-21.
- Growth was mainly driven by Asia export, both on Trans-Pacific and Asia-Europe trade lanes.
- Significant yield improvement in Q1-21 after temporary pressure in Q4-20.
- Capacity and equipment situation remains very tight, and recent events in the Suez Canal have contributed to the difficult market situation.

Road Q1 2021

(DKKm)		Q1 2021	Q1 2020	Growth*
Revenue		8,056	7,921	3.0%
Gross profit		1,657	1,535	9.2%
EBIT		403	259	56.8%




*) Growth rates are in constant currencies.



Management commentary

- EBIT growth of 56.8% driven by solid gross profit growth and cost discipline.
- Accelerating growth by the end of Q1-21 as the activity in March 2020 declined due to lock-downs.
- Domestic and B2C volumes continue the strong momentum.
- Negative Brexit impact on UK volumes in Q1, but situation has improved in March and April.

Solutions Q1 2021

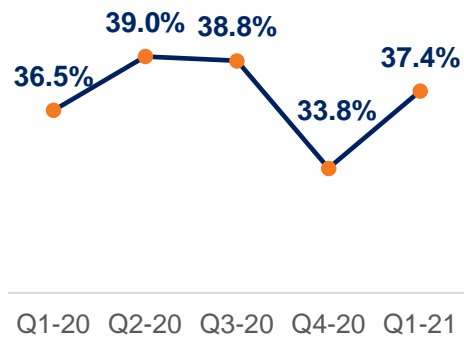
(DKKm)		Q1 2021	Q1 2020	Growth*
Revenue		3,609	3,441	9.0%
Gross profit		1,348	1,256	11.2%
EBIT		263	159	69.7%

*) Growth rates are in constant currencies.

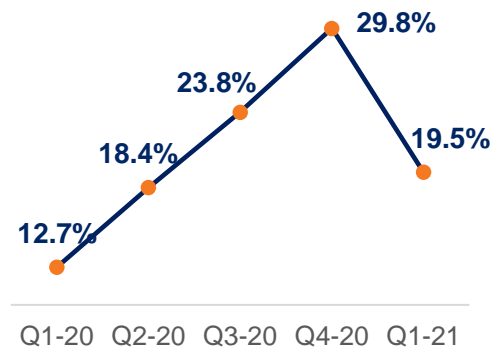
Management commentary

- EBIT growth driven by solid gross profit growth and cost discipline.
- Q1-21 is first quarter with impact from Prime Cargo (approx. 4% revenue contribution).
- E-commerce activities continue to deliver highest growth rates.

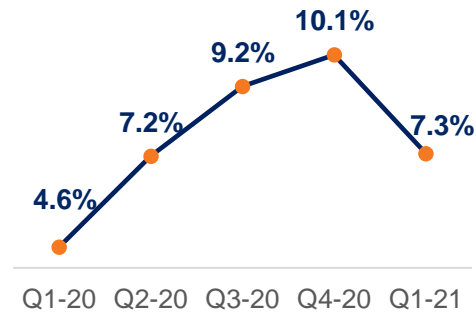
Gross margin



Conversion ratio



Operating margin



P&L Q1 2021

(DKKm)	Q1 2021	Q1 2020	Growth*
Headlines			
Revenue	33,616	27,309	28.4%
Gross profit	7,785	6,684	21.3%
EBIT before special items	3,067	1,566	106.3%
Profit for the period	2,329	331	
P&L items			
Cost base (staff, other ext., depreciations)	4,718	5,118	
Special items, costs	-	511	
Financial items, FX adjustments	(158)	407	
Financial items, other	179	190	
KPIs			
Gross margin (%)	23.2	24.5	
Operating margin (%)	9.1	5.7	
Conversion ratio (%)	39.4	23.4	
Effective tax rate (%)	23.5	27.7	
Employees	57,642	58,788	

*) Growth rates are in constant currencies.

Management commentary

- Strong organic growth in gross profit for the quarter.
- Full-year impact from synergies and COVID-19 cost savings – all savings are fully phased in from Q1-21.
- Impact from temporary cost savings on travelling etc.
- Financial items impacted by positive non-cash FX adjustments on intra-group loans.

Cash flow Q1 2021

(DKKm)	Q1 2021	Q1 2020
EBITDA before special items	4,016	2,604
Change in working capital	(798)	(355)
Tax, interest, change in provisions, etc.	(426)	(348)
Special items	(189)	(555)
Cash flow from operating activities	2,603	1,346
Cash flow from investing activities	(357)	(201)
Free cash flow	2,246	1,145
Statement of adjusted free cash flow		
Free cash flow	2,246	1,145
Special items (restructuring costs)	189	555
Repayment of lease liabilities (IFRS 16 impact reversed)	(745)	(785)
Adjusted free cash flow	1,690	915
KPIs		
Net working capital (NWC)	3,646	3,532
NWC in % of revenue	3.0	3.5
Net interest-bearing debt (NIBD)	21,992	21,257
Gearing ratio (NIBD/EBITDA before special items)	1.5	2.0
ROIC before tax	16.4%	13.7%
ROIC before tax (excl. goodwill and customer relationships)	62.9%	41.8%

Management commentary

- Growth in adjusted free cash flow reflects the improved EBITDA before special items.
- Payment of special items provisions from 2020 have cash effect in the quarter.
- Net working capital at satisfactory level by Q1-21.
- Financial gearing ratio at 1.5x.
- Gearing ratio target unchanged: below 2.0x EBITDA.
- New EUR 500 million 10-year Eurobond issued in February. The bond is rated “A-” by S&P and “A3” by Moody’s.

Share buyback and dividend

- Dividend for 2020 paid in Q1-21: DKK 4.00 per share (2019: DKK 2.50).
- 4.5 million shares bought back in Q1-21 at an average price of DKK 1,072.9.
- New share buyback programme of DKK 4.0 billion running until 28 July 2021.
- Share capital reduction of 6.0 million shares as of 15 April 2021 (cancellation of own shares).

Announced allocations to shareholders 2021 (DKKm)	Q1-21	Q2-21	Q3-21	Q4-21	Total 2021
Dividend (DKK 4.00 per share)	920	-	-	-	920
Share buyback – rest of 2020 programme	4,815	1,185	-	-	6,000
Share buyback – 4.0 billion – cash flow partly in Q3	-	2,700	1,300	-	4,000
Total announced allocations in 2021	5,735	3,885	1,300	-	10,920

Outlook for 2021 raised

Excluding impact from the GIL transaction. Update to be provided upon closing

(DKKm)	Updated outlook 2021	Previous outlook 2021	Actual 2020
EBIT before special items	11,250-12,000	10,500-11,500	9,520
Effective tax rate	23.0%	23.0%	24.3%

Main assumptions

- Continued recovery of the global economy after the COVID-19 crisis, Global GDP growth around 5%.
- Growth rates in the transport markets in line with the underlying economic growth.
- Tight transport capacity and high rates will continue most of 2021, but we expect yields will decline compared to Q1-21.
- Our ambition is to gain market share in all three divisions.
- Remaining full-year impact of integration synergies and cost savings of approx. DKK 1,200 million in 2021.
- Currency exchange rates will remain at current level.

Next steps

Expected timeline



**To attend the teleconference,
please dial one of the following phone
numbers:**

Danish participants

+ 45 78 72 32 50

International participants

+44 (0) 333 300 9266

US participants

+1 833 526 8384

To ask questions press "0" and then "1"



Appendix



Quarterly P&L details

DSV Panalpina Group

(DKK M)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021
Revenue	19,979	20,079	24,521	30,122	94,701	27,309	28,782	28,125	31,716	115,932	33,616
Direct costs	14,865	14,794	18,250	23,038	70,947	20,625	21,396	20,873	24,504	87,398	25,831
Gross profit	5,114	5,285	6,271	7,084	23,754	6,684	7,386	7,252	7,212	28,534	7,785
Other external expenses	656	642	817	1,018	3,133	867	795	831	798	3,291	849
Staff costs	2,195	2,202	2,727	3,205	10,329	3,213	2,925	2,708	2,838	11,684	2,920
EBITDA before special items	2,263	2,441	2,727	2,861	10,292	2,604	3,666	3,713	3,576	13,559	4,016
Depreciation of right-of-use assets	632	626	680	796	2,734	798	777	723	692	2,990	752
Amortisation and depreciation of owned assets	177	184	262	281	904	240	276	265	268	1,049	197
EBIT before special items	1,454	1,631	1,785	1,784	6,654	1,566	2,613	2,725	2,616	9,520	3,067
Special Items, net costs	-	19	172	609	800	511	515	453	685	2,164	-
Financial income	22	25	85	(1)	131	65	91	58	40	254	208
Financial expenses - lease liabilities	89	91	96	107	383	114	95	109	116	434	119
Financial expenses	106	83	102	315	606	548	218	427	356	1,549	110
Profit before tax	1,281	1,463	1,500	752	4,996	458	1,876	1,794	1,499	5,627	3,046
Tax on profit for the period	318	314	351	307	1,290	127	486	457	299	1,369	717
Profit for the period	963	1,149	1,149	445	3,706	331	1,390	1,337	1,200	4,258	2,329
<i>Gross margin, %</i>	25.6	26.3	25.6	23.5	25.1	24.5	25.7	25.8	22.7	24.6	23.2
<i>Operating margin, %</i>	7.3	8.1	7.3	5.9	7.0	5.7	9.1	9.7	8.2	8.2	9.1
<i>Conversion ratio, %</i>	28.4	30.9	28.5	25.2	28.0	23.4	35.4	37.6	36.3	33.4	39.4
<i>Effective tax rate, %</i>	24.8	21.5	23.4	40.8	25.8	27.7	25.9	25.5	19.9	24.3	23.5
<i>Blue-collar costs (included in direct costs)</i>	1,218	1,231	1,313	1,537	5,299	1,411	1,132	1,282	1,449	5,274	1,405
Number of full-time employees	47,281	47,552	61,799	61,216	61,216	58,788	53,399	56,090	56,621	56,621	57,642

Quarterly P&L details

Air & Sea

(DKKm)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021
Divisional revenue	9,411	9,682	13,981	18,077	51,151	16,674	19,144	17,910	19,961	73,689	22,924
Direct costs	6,987	7,153	10,538	13,956	38,634	12,799	14,481	13,607	15,893	56,780	18,136
Gross profit	2,424	2,529	3,443	4,121	12,517	3,875	4,663	4,303	4,068	16,909	4,788
Other external expenses	386	424	594	863	2,267	797	736	692	645	2,870	753
Staff costs	943	935	1,442	1,773	5,093	1,679	1,530	1,394	1,445	6,048	1,445
EBITDA before special items	1,095	1,170	1,407	1,485	5,157	1,399	2,397	2,217	1,978	7,991	2,590
Depreciation of right-of-use assets	82	61	127	214	484	211	190	151	127	679	136
Amortisation and depreciation of owned assets	15	16	60	76	167	58	95	72	61	286	61
EBIT before special items	998	1,093	1,220	1,195	4,506	1,130	2,112	1,994	1,790	7,026	2,393
<i>Gross margin, %</i>	25.8	26.1	24.6	22.8	24.5	23.2	24.4	24.0	20.4	22.9	20.9
<i>Operating margin, %</i>	10.6	11.3	8.7	6.6	8.8	6.8	11.0	11.1	9.0	9.5	10.4
<i>Conversion ratio, %</i>	41.2	43.2	35.4	29.0	36.0	29.2	45.3	46.3	44.0	41.6	50.0
Number of full-time employees	12,072	12,103	22,824	21,516	21,516	20,610	18,723	18,067	18,008	18,008	17,999
<i>Air</i>											
Revenue, DKKm	4,598	4,564	7,352	10,620	27,134	9,530	12,057	10,296	12,873	44,756	12,975
Gross profit, DKKm	1,230	1,224	1,827	2,313	6,594	2,153	3,015	2,578	2,529	10,275	2,762
Air freight, tonnes	170,103	170,301	288,793	442,069	1,071,266	359,975	287,452	300,147	324,831	1,272,405	336,307
GP/tonne, DKK	7,231	7,187	6,326	5,226	6,155	5,981	10,489	8,589	7,786	8,075	8,213
<i>Sea</i>											
Revenue, DKKm	4,813	5,118	6,629	7,457	24,017	7,144	7,087	7,614	7,088	28,933	9,949
Gross profit, DKKm	1,194	1,305	1,616	1,808	5,923	1,722	1,648	1,725	1,539	6,634	2,026
TEUs	359,925	391,333	520,048	635,820	1,907,126	575,814	512,138	568,130	548,820	2,204,902	581,019
GP/TEU, DKK	3,317	3,335	3,107	2,846	3,106	2,991	3,218	3,036	2,804	3,009	3,487

Quarterly P&L details

Road

(DKK M)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021
Divisional revenue	8,102	7,833	7,698	7,988	31,621	7,921	6,987	7,521	7,966	30,395	8,056
Direct costs	6,541	6,298	6,170	6,456	25,465	6,386	5,556	5,936	6,379	24,257	6,399
Gross profit	1,561	1,535	1,528	1,532	6,156	1,535	1,431	1,585	1,587	6,138	1,657
Other external expenses	300	232	261	267	1,060	287	242	251	241	1,021	258
Staff costs	719	725	679	741	2,864	757	686	650	706	2,799	742
EBITDA before special items	542	578	588	524	2,232	491	503	684	640	2,318	657
Depreciation of right-of-use assets	218	213	212	219	862	206	209	211	202	828	236
Amortisation and depreciation of owned assets	26	27	33	33	119	26	31	25	18	100	18
EBIT before special items	298	338	343	272	1,251	259	263	448	420	1,390	403
<i>Gross margin, %</i>	19.3	19.6	19.8	19.2	19.5	19.4	20.5	21.1	19.9	20.2	20.6
<i>Operating margin, %</i>	3.7	4.3	4.5	3.4	4.0	3.3	3.8	6.0	5.3	4.6	5.0
<i>Conversion ratio, %</i>	19.1	22.0	22.4	17.8	20.3	16.9	18.4	28.3	26.5	22.6	24.3
Number of full-time employees	13,181	13,134	13,493	13,644	13,644	15,200	13,408	14,090	14,003	14,003	14,222

Solutions

Divisional revenue	3,049	3,147	3,465	4,729	14,390	3,441	3,256	3,388	4,523	14,608	3,609
Direct costs	1,923	1,961	2,209	3,328	9,421	2,185	1,985	2,075	2,994	9,239	2,261
Gross profit	1,126	1,186	1,256	1,401	4,969	1,256	1,271	1,313	1,529	5,369	1,348
Other external expenses	264	254	278	292	1,088	289	244	255	301	1,089	281
Staff costs	306	304	341	355	1,306	385	365	344	355	1,449	377
EBITDA before special items	556	628	637	754	2,575	582	662	714	873	2,831	690
Depreciation of right-of-use assets	314	335	329	348	1,326	364	361	342	355	1,422	369
Amortisation and depreciation of owned assets	49	52	69	66	236	59	67	60	62	248	58
EBIT before special items	193	241	239	340	1,013	159	234	312	456	1,161	263
<i>Gross margin, %</i>	36.9	37.7	36.2	29.6	34.5	36.5	39.0	38.8	33.8	36.8	37.4
<i>Operating margin, %</i>	6.3	7.7	6.9	7.2	7.0	4.6	7.2	9.2	10.1	7.9	7.3
<i>Conversion ratio, %</i>	17.1	20.3	19.0	24.3	20.4	12.7	18.4	23.8	29.8	21.6	19.5
Number of full-time employees	19,862	20,146	22,521	22,777	22,777	20,079	18,428	21,039	21,478	21,478	22,188

Investor contact information

Share information



DSV Panalpina A/S is listed on the Copenhagen stock exchange under the symbol 'DSV'.

For further company information, please visit: www.dsv.com

Financial calendar 2021



~~26 May 2021~~ Capital Markets Day 2021, CANCELLED

29 Jul. 2021 Interim Financial Report, Second Quarter 2021

26 Oct. 2021 Interim Financial Report, Third Quarter 2021

Investor Relations contacts



DSV Panalpina A/S
Hovedgaden 630, 2640 Hedehusene, Denmark

investor@dsv.com

Flemming Ole Nielsen +45 4320 3392

flemming.o.nielsen@dsv.com

Mads Kristian Hofmeister +45 4320 3388

madskristian.hofmeister@dsv.com