# Capital Markets Day 2011


## Business update and strategy
## CEO Jens Bjorn Andersen

Capital Markets Day
6 September 2011

# Agenda

1. Meet DSV in action – in Horsens
2. The DSV culture
3. Historical performance – a resilient business model
4. Expected global transport volume growth in 2011
5. Performance relative to market 2010-2011
6. Geographical footprint
7. Market position
8. Growth strategy
9. CSR objectives
10. IT landscape
11. Q&A

Meet DSV in Action

# Meet DSV in Action – in Horsens

**Why have we asked you to come here?**

- We hope that you will get a first-hand impression and better understanding of DSV's services
- We are proud to be able to show one of Europe's largest and – most likely – most efficient freight terminals
- 'Bigger is better' – a trend in the industry

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# Meet DSV in Action – in Horsens

**All DSV divisions on one location**

- Air & Sea (incl. Project Department), Road and Solutions are all present
- Optimises cross-selling opportunities – and enables DSV to offer the optimal product to the customers
- This also optimises the utilisation of terminal and back office functions

**Pioneers of DSV**

- Horsens and the Danish Road organisation are in many ways pioneers of DSV
- This is where we optimise operational procedures and develop IT systems that support our operations
- DSV's market share in Denmark is unique and this enables us to optimise procedures – for the benefit of the entire Group
- Horsens and Denmark are not the only pioneers of DSV – it is part of the DSV culture to copy or learn from 'best practice' procedures, and the good examples can come from anywhere in the Group

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# The DSV culture

- Strong and entrepreneurial company culture
- Loyal and hands-on management
- High degree of internal transparency
- Internal competition on many levels – between divisisions, countries, branches etc.
- Visible for staff at all levels how they perform – focus on KPIs and benchmarking
- Local management has freedom to optimise the business – within the framework and rules set by Group and Divisional managements
- Strong M&A track record

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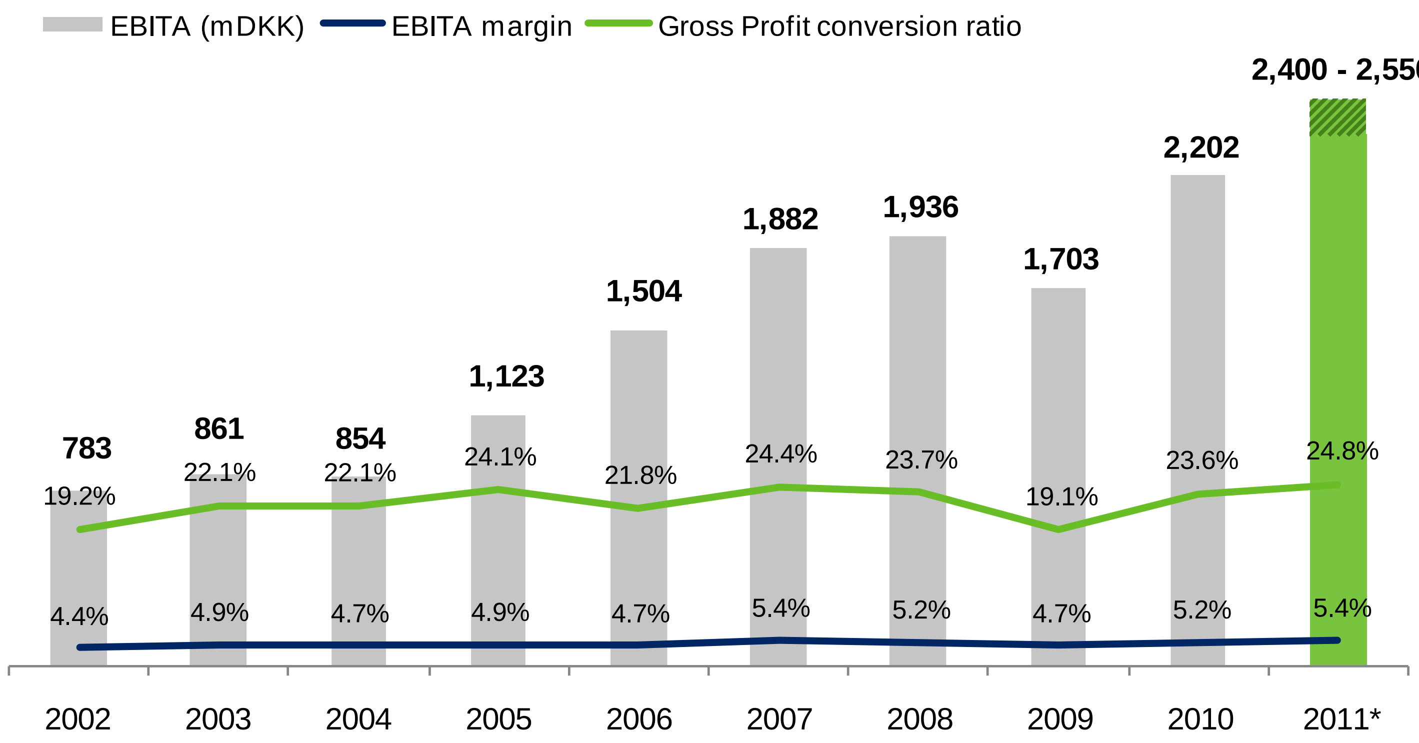
# Historical performance – a resilient business model




***) 2011 GP margin and Conversion Ratio are based on the middle of the guided ranges**

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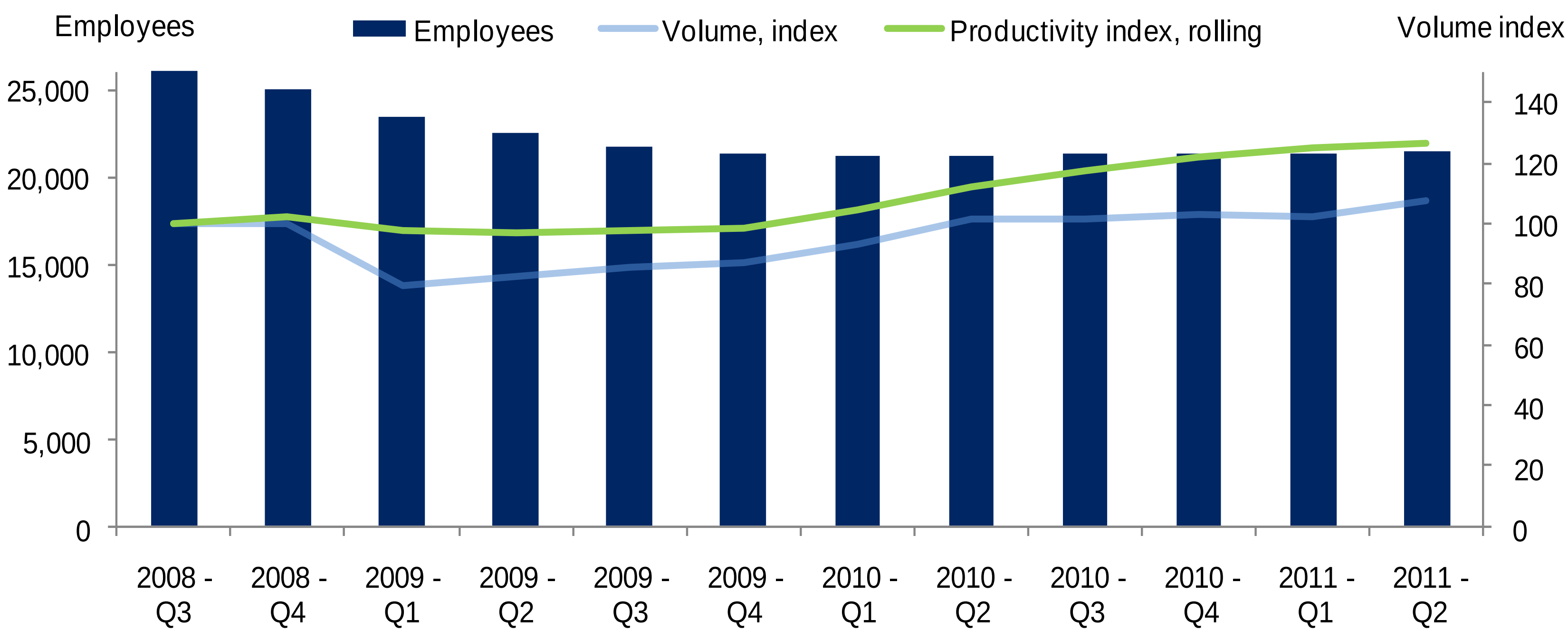
# Historical performance – a resilient business model

The graph illustrates the development in number of employees and transport volume




Volume index: weighted average for the divisions (base Q3 2008)
Productivity index: volume index/employee index (base Q3 2008)

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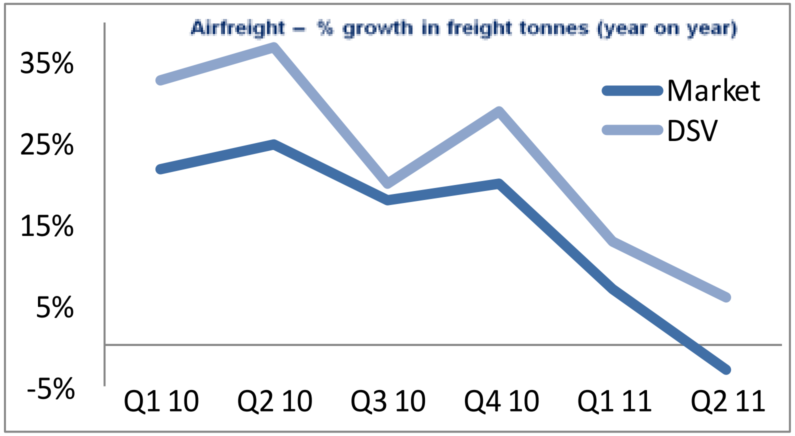
# Expected global transport volume growth in 2011*

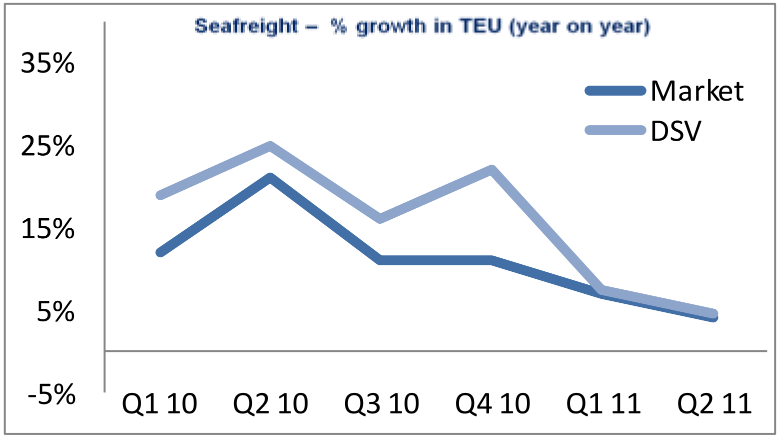
- Seafreight volume is expected to grow by 4-6%
- Airfreight volume is expected to grow by 0-2%
- Roadfreight volume is expected to grow by 2-3%
- Solutions orderlines are expected grow by 2-3%

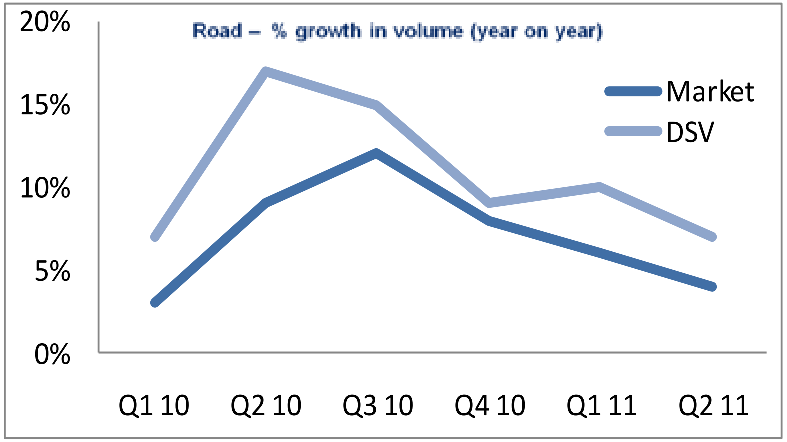
It is DSV's target to grow faster than the market in all divisions.

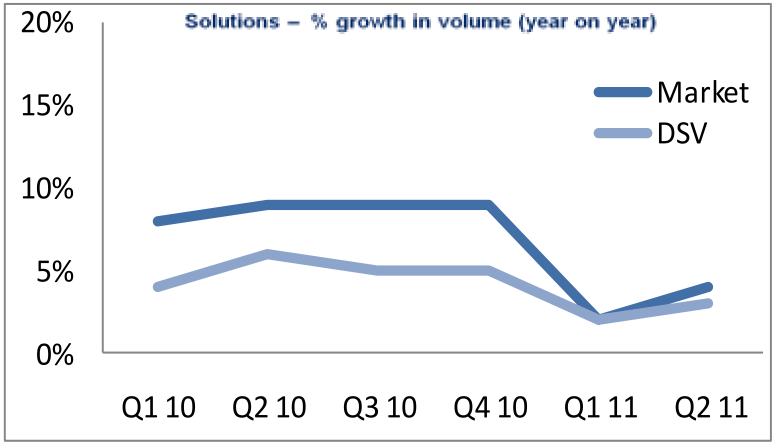
*) as stated in the H1 2011 interim financial report

# Performance relative to market* 2010-2011



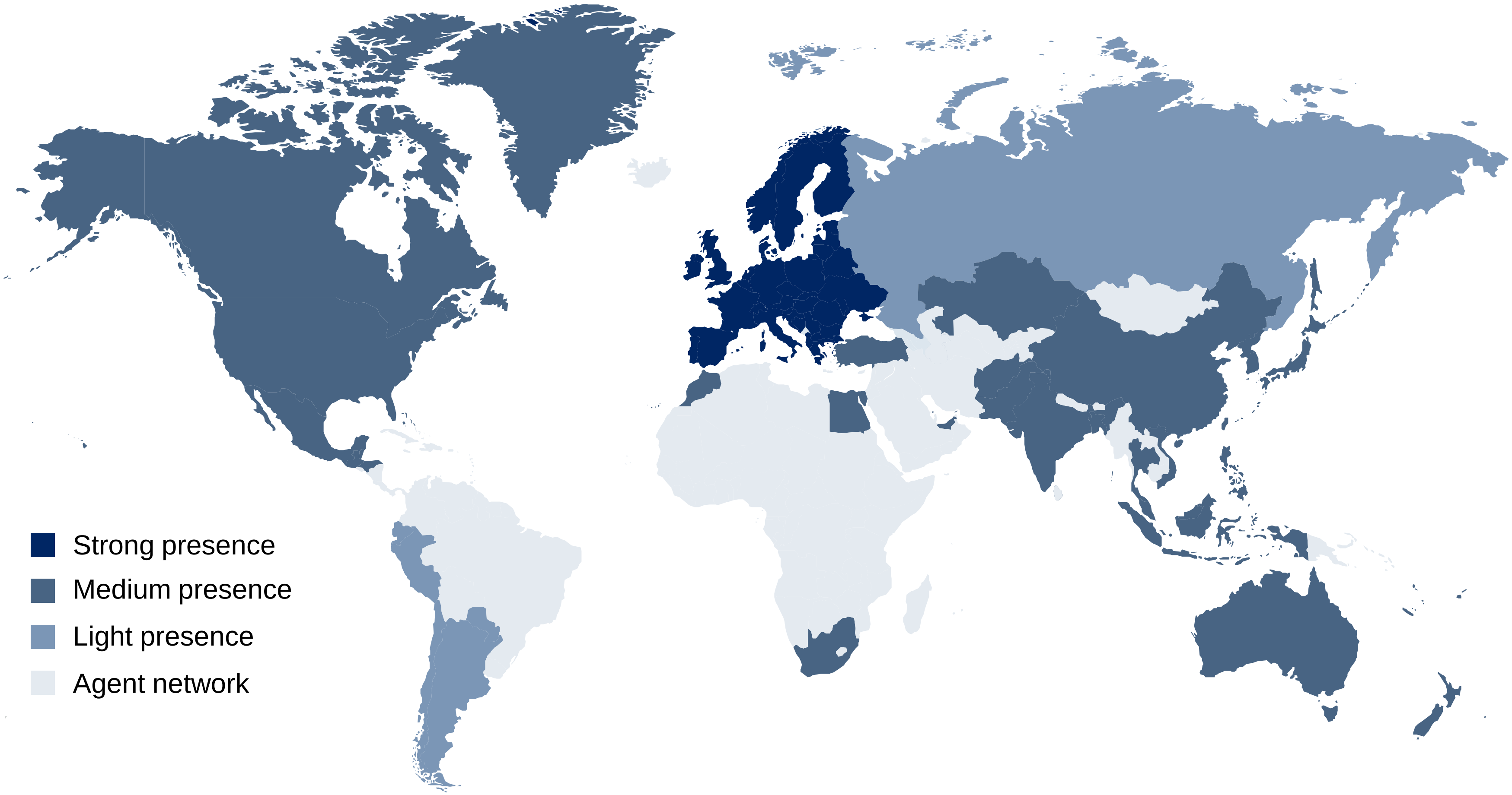




***) Global market growth is based on DSV's estimates**

# Geographical footprint

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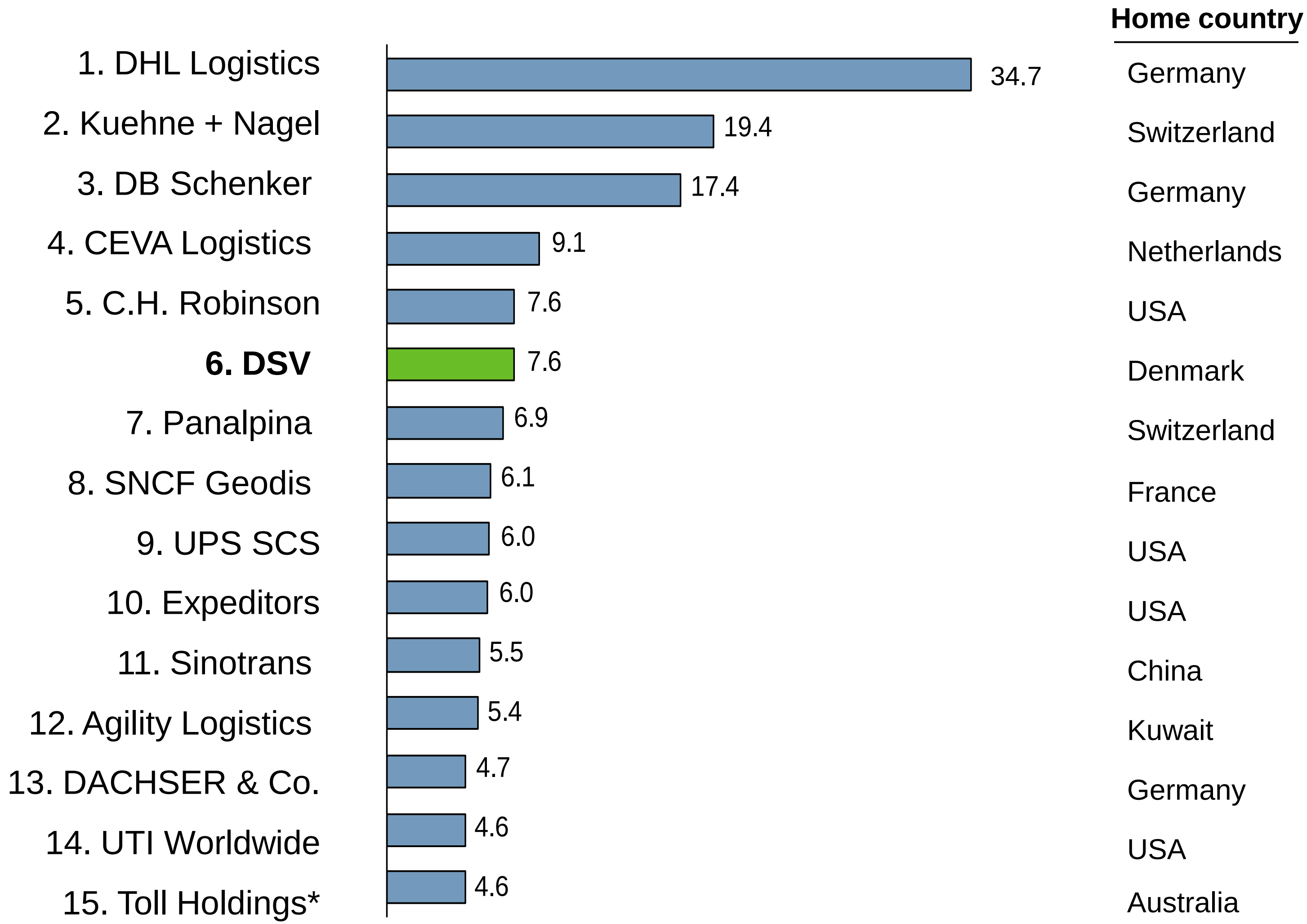
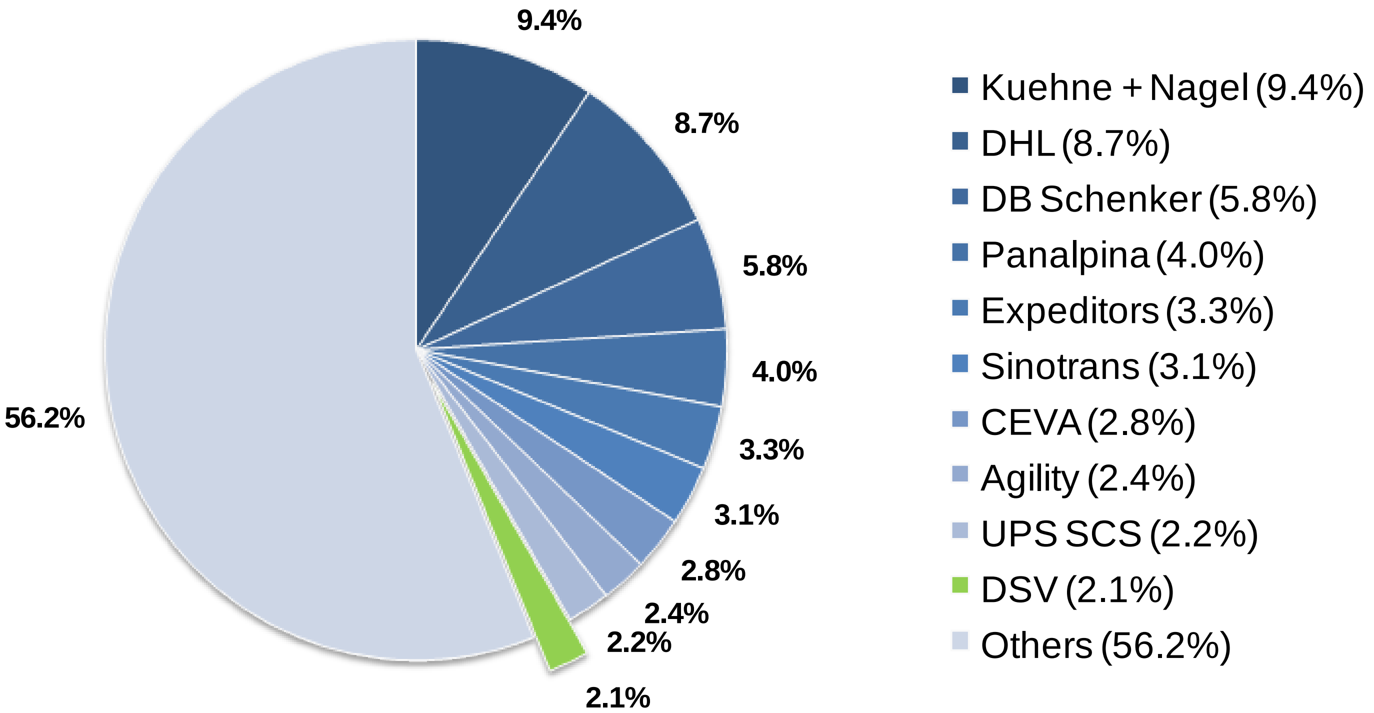
# Market position

## Ranking of Third Party Logistics providers by 2010 revenue, in USDbn




**Source: SJ Consulting Group, quoted in Journal of Commerce**

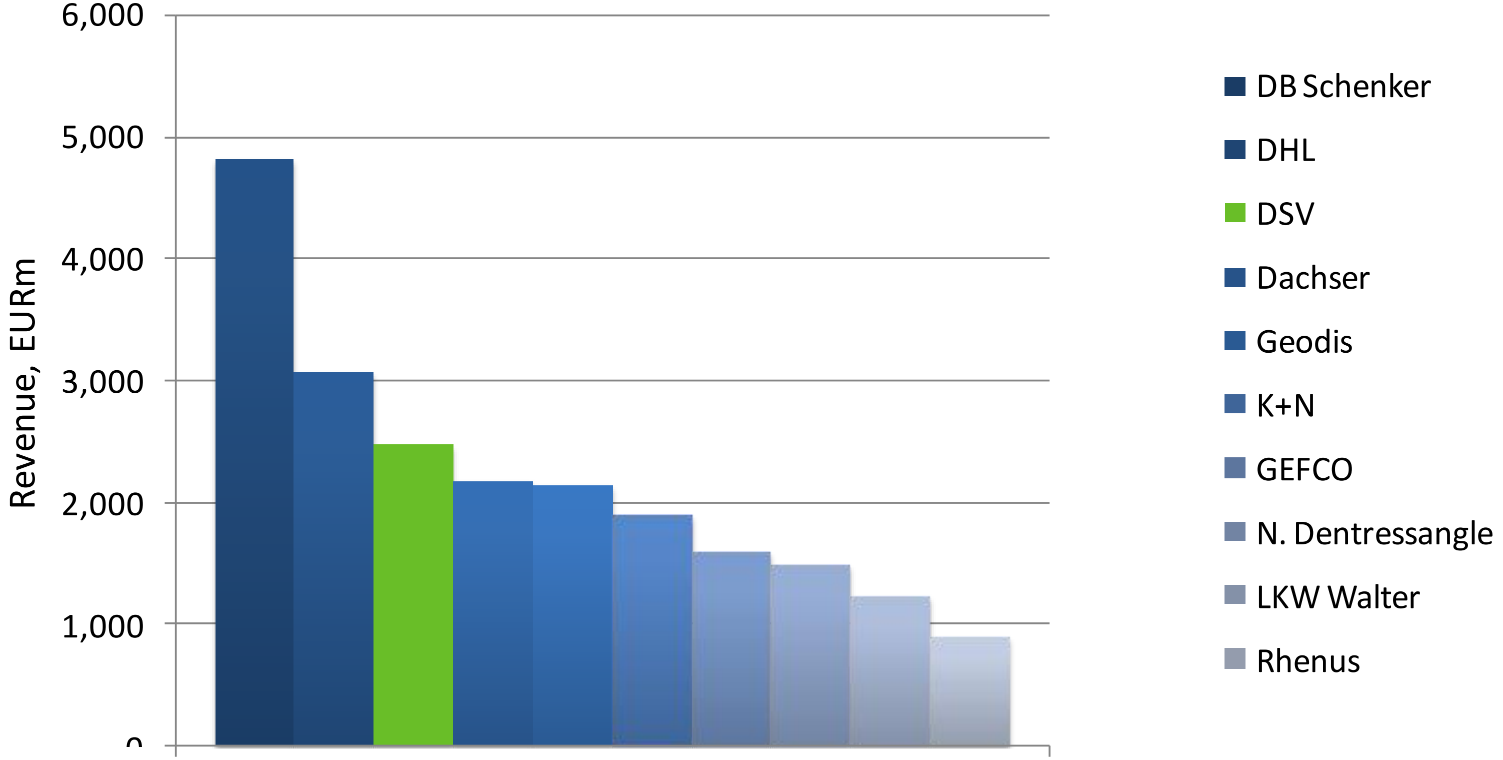
# Market position Air & Sea – DSV is a top 10 player
## (Ranking by 2010 revenue)




**Source: Transport Intelligence**

# Market position Road – DSV ranks number 3 in Europe

**(Ranking by 2010 revenue)**




**Source: Transport Intelligence**

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# Growth strategy

**Organic growth**

- It is DSVs target to gain market shares in all divisions by focus on sales
- Green field approach is an option in certain areas
- Road / Solutions with more global coverage
- Pursue cross selling opportunities

**M&A**

- Add volume to existing network and strengthen global footprint in Air & Sea – focus on local and regional companies
- Bolt-on type acquisitions in Road
- Project logistics is an attractive area



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# CSR objectives

- DSV has joined the UN Global Compact initiative
- Important elements of the CSR policy are
    - Environment/climate
    - Employees/working environment
    - Business ethics/anti-corruption
- In 2011 the Supervisory Board has adopted a series of objectives for the future CSR work of DSV

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# CSR objectives

**Example of an objective – Environment:**

- DSV must improve its energy efficiency per transport assignment ($CO_2$/tonne-km) by 15% by 2015 compared with 2010 figures

**Activities launched:**

- Subcontractors required to work on lowering their $CO_2$ emissions
- At least 50% of the vehicles used by the Road Division (own and subcontractors) must have Euro 5 engines or better in 2013
- 75% of all DSV buildings must have automatic energy control systems or be screened for potential energy savings in 2015
- Continued internal focus on capacity utilisation and route planning

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# IT landscape

Overall target: One Transport Management System for each division

| Air & Sea | Road | Solutions | Sales & back office |
|---|---|---|---|
| • ediEnterprise<br>• Off-the shelf system<br>• Currently used in Asia, Americas and part of Europe<br>• Rollout ongoing in Europe | • Cargolink<br>• Legacy system<br>• Used throughout Europe with a few exceptions<br>• Old platform – however very functional and scalable | • Cargowrite (based on Red Prairie)<br>• Rollout ongoing in Europe | • Salesforce.com<br>• SAP in Europe |

Master Data Management

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# Q&A


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