



# FIRST QUARTER 2017 RESULTS

Conference call – 2 May 2017, 11.00 am CEST

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# Forward-looking statements

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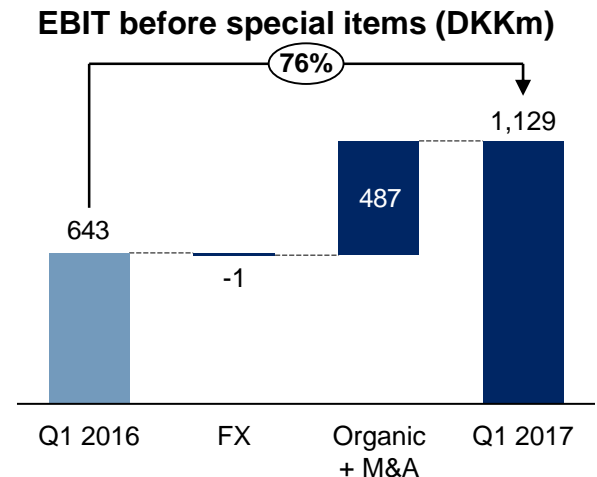
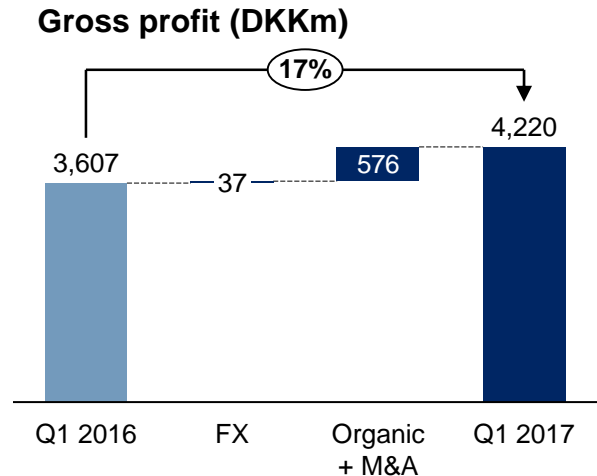
# Agenda

- 1 Highlights
- 2 Business units
- 3 Financial review
- 4 Revised outlook for 2017
- 5 Q&A



# Highlights Q1 2017

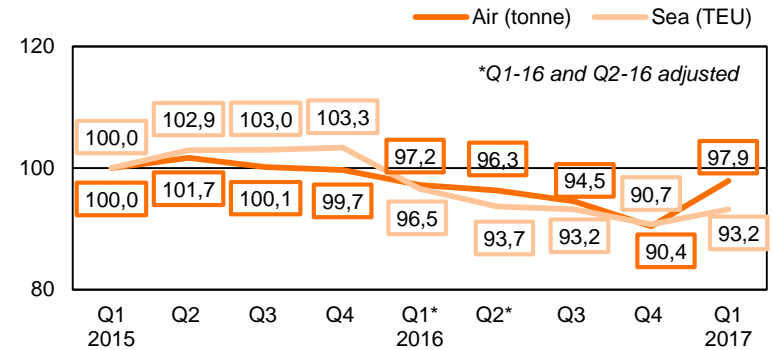
- The integration of UTi progresses according to plan
- Positive impact from a gain related to property transactions of ~ DKK 125 million
- Gross profit increased 17% (+14% ex. one-off)
- EBIT before special items increased 76% (+56% ex. one-off)
- Financial gearing ratio at 1.6x (NIBD/EBITDA)
- Financial outlook for 2017 adjusted:
  - Full-year EBIT before special items of DKK 4,300-4,600 million (from DKK 4,200-4,500 million)



# Business segments – Air & Sea

- 66.7% growth in EBIT
- ~ one extra month of UTi activities compared to Q1-16
- GP per unit improved sequentially in a challenging environment
- Solid margin performance
- Intensified focus on sales and gaining market share

Development in GP per tonne/TEU

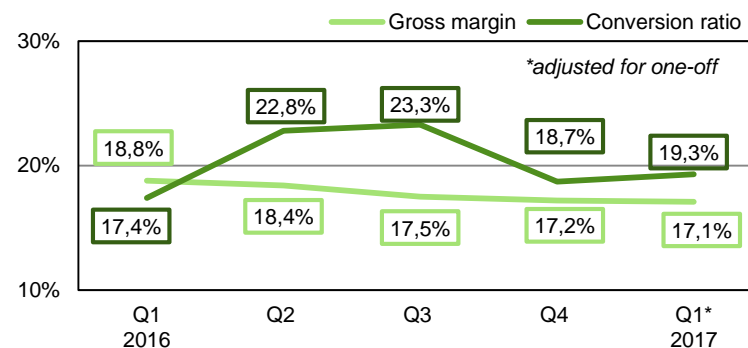


| DKK million               | Q1      |         | Growth details              |      |
|---------------------------|---------|---------|-----------------------------|------|
|                           | 2017    | 2016    | Var.                        | Fx   |
| Divisional net revenue    | 8,470   | 7,055   | 20.1%                       | 0.3% |
| Gross profit              | 2,116   | 1,877   | 12.7%                       | 1.2% |
| EBIT before special items | 690     | 414     | 66.7%                       | 1.9% |
| <i>Operating margin</i>   | 8.1%    | 5.9%    |                             |      |
| <i>Conversion ratio</i>   | 32.6%   | 22.1%   |                             |      |
|                           |         |         | <b>Market growth (est.)</b> |      |
| Sea, gross profit         | 1,083   | 989     | 9.5%                        |      |
| TEU                       | 332,787 | 285,109 | 16.7%                       | 4%   |
| GP/TEU, DKK               | 3,255   | 3,470   | -6.2%                       |      |
| Air, gross profit         | 1,033   | 888     | 16.3%                       |      |
| Tonnes                    | 147,439 | 122,817 | 20.0%                       | 6%   |
| GP/tonne, DKK             | 7,004   | 7,227   | -3.1%                       |      |

# Business segments – Road

- Gross profit and EBIT were positively affected by a gain from property transactions of ~ DKK 125 million
- EBIT growth of 16% excluding one-off
- Growth in shipments was positively affected by ~ one extra month of UTi and higher number of working days in March

Development in key financial ratios

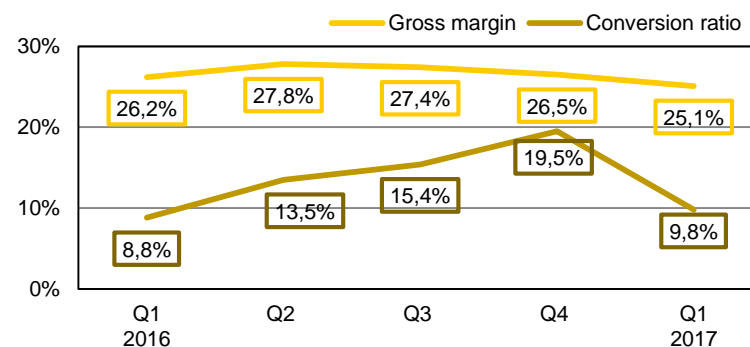


| DKK million                       | 2017  | Q1    |       |                                   |
|-----------------------------------|-------|-------|-------|-----------------------------------|
|                                   |       | 2016  | Var.  | Fx                                |
| Divisional net revenue            | 7,633 | 6,688 | 14.1% | -0.1%                             |
| Gross profit                      | 1,433 | 1,257 | 14.0% | -0.6%                             |
| EBIT before special items         | 378   | 219   | 72.6% | -5.5%                             |
| <i>Gross margin</i>               | 18.8% | 18.8% |       |                                   |
| <i>Operating margin</i>           | 5.0%  | 3.3%  |       |                                   |
| <i>Conversion ratio</i>           | 26.4% | 17.4% |       |                                   |
| Shipments, growth (including UTi) | 12%   |       |       | <b>Market growth (est.)</b><br>3% |

# Business segments – Solutions

- 40.4% growth in EBIT
- ~ one extra month of UTi activities compared to Q1-16
- In line with previous years the activity level in Q1 was relatively low – directly impacting margins and EBIT
- Improved margins and EBIT are expected in the rest of 2017

Development in key financial ratios



| DKK million               | Q1    |       |       |      |
|---------------------------|-------|-------|-------|------|
|                           | 2017  | 2016  | Var.  | Fx   |
| Divisional net revenue    | 2,678 | 2,043 | 31.1% | 2.9% |
| Gross profit              | 671   | 536   | 25.2% | 4.5% |
| EBIT before special items | 66    | 47    | 40.4% | 4.3% |
| Gross margin              | 25.1% | 26.2% |       |      |
| <i>Operating margin</i>   | 2.5%  | 2.3%  |       |      |
| Conversion ratio          | 9.8%  | 8.8%  |       |      |

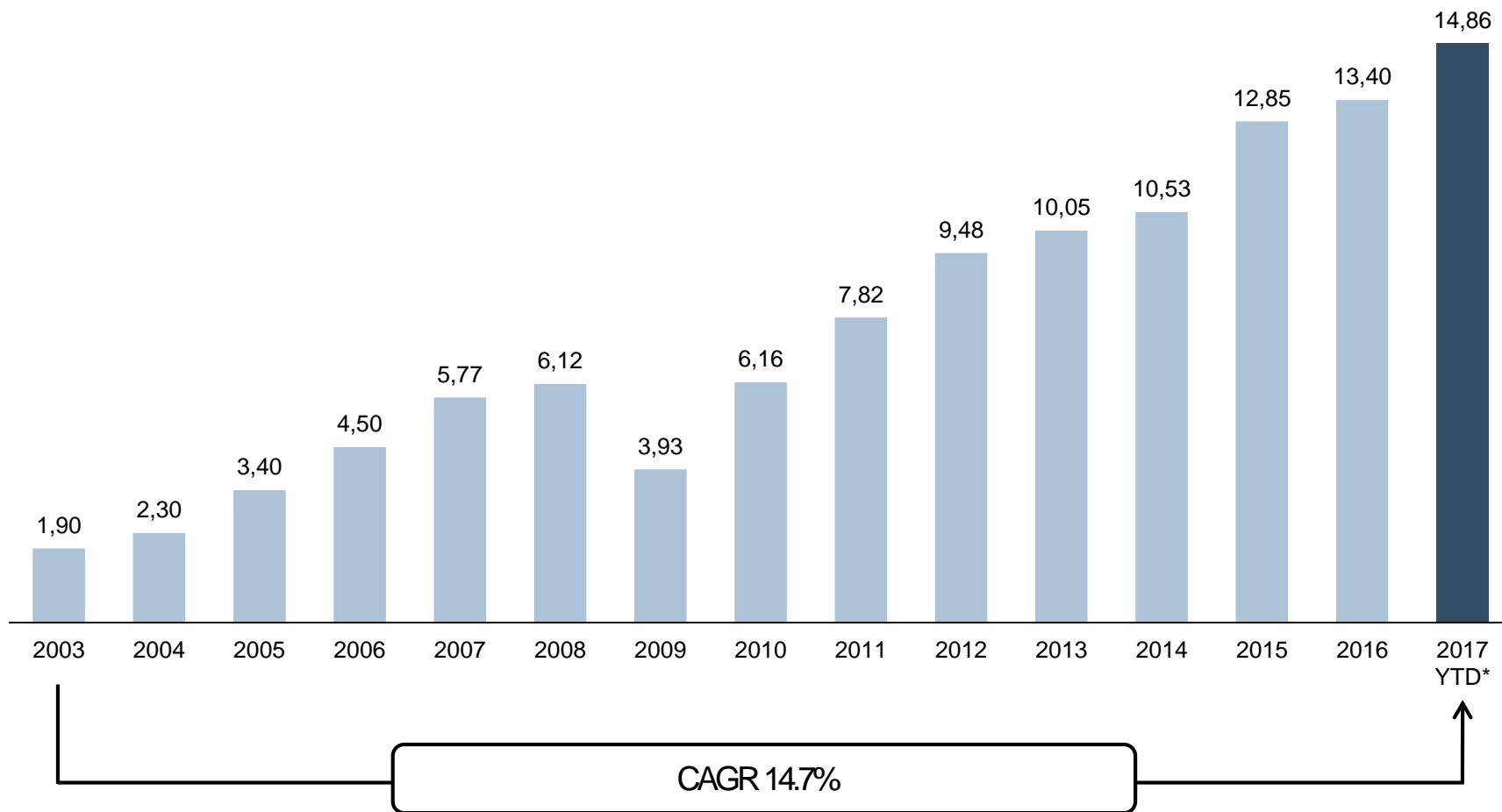
# Financial review Q1 2017 – P&L

| (DKKm)                                     | Q1           | Q1           | Growth        |              |
|--|--------------|--------------|---------------|--------------|
|  | 2017         | 2016         | Var.          | Fx           |
| Net revenue                                | 18,223       | 15,319       | 19.0%         | 0.4%         |
| <b>Gross profit</b>                        | <b>4,220</b> | <b>3,607</b> | <b>17.0%</b>  | <b>1.0%</b>  |
| Other external costs                       | 851          | 790          | 7.7%          |              |
| Staff costs, white-collar                  | 2,058        | 1,997        | 3.1%          |              |
| <b>EBITDA</b>                              | <b>1,311</b> | <b>820</b>   | <b>59.9%</b>  |              |
| Amortisation and depreciation              | 182          | 177          | 2.8%          |              |
| <b>EBIT before special items</b>           | <b>1,129</b> | <b>643</b>   | <b>75.6%</b>  | <b>-0.2%</b> |
| Special items, costs                       | 160          | 370          |               |              |
| Net financial costs                        | 94           | -46          |               |              |
| <b>Profit before tax</b>                   | <b>875</b>   | <b>319</b>   | <b>174.3%</b> |              |
| Tax on profit for the period               | 206          | 86           | 139.5%        |              |
| <b>Profit for the period</b>               | <b>669</b>   | <b>233</b>   | <b>187.1%</b> |              |
| <b>Key Performance Indicators</b>          |              |              |               |              |
| Gross margin (%)                           | 23.2         | 23.5         |               |              |
| Operating margin (%)                       | 6.2          | 4.2          |               |              |
| Conversion ratio (%)                       | 26.8         | 17.8         |               |              |
| Effective tax rate (%)                     | 23.5         | 27.0         |               |              |
| Employees, end of quarter                  | 45,112       | 44,334       |               |              |
| <u>Diluted adjusted EPS for the period</u> | <u>4.30</u>  | <u>2.83</u>  | <u>51.9%</u>  |              |

- Impact from ~ one month extra month of UTi activities
- Net revenue, gross profit and EBIT were positively impacted by property transactions of ~ DKK 125 million
- Conversion ratio of 24.5% excluding one-off
- Financial items impacted by exchange rate adjustments. Normalised level was approx. DKK 75 million for the quarter
- Effective tax rate slightly below expected level
- Number of employees increased. Correction of approx. 2,000 blue-collar employees in connection with Q3-16



# Diluted adjusted earnings per share DKK



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

# Financial review FY 2016 – cash flow and debt

| (DKKm)   | Q1<br>2017   | Q1<br>2016    |
|--|--------------|---------------|
| <b>EBITDA</b>                                  | <b>1,311</b> | <b>820</b>    |
| Change in net working capital                  | -328         | -519          |
| Provisions                                     | -58          | 58            |
| Special items                                  | -112         | -76           |
| Corporation tax paid and other adjustments     | -250         | -117          |
| Cash flow from operating activities            | 563          | 166           |
| Cash flow from investing activities            | 164          | -4,641        |
| <b>Free cash flow</b>                          | <b>727</b>   | <b>-4,475</b> |
| <b>Adjusted free cash flow (excl. M&amp;A)</b> | <b>839</b>   | <b>438</b>    |

## Highlights

|   |        |        |
|---|--------|--------|
| <i>NWC in % of revenue</i>                                  | 3.2%   | 1.6%   |
| <i>Net interest-bearing debt (NIBD)</i>                     | 7,754  | 9,232  |
| <i>Financial gearing (NIBD/EBITDA)</i>                      | 1.6    | 2.6    |
| <i>Average duration, long-term loan commitments (years)</i> | 2.7    | 3.5    |
| <i>Intangible assets</i>                                    | 17,234 | 16,830 |
| <i>Invested capital</i>                                     | 21,831 | 21,597 |
| <i>ROIC before tax</i>                                      | 18.2   | 18.1   |

- Positive impact from improved EBITDA
- NWC at 3.2% of net revenue and is impacted by a high activity level in March
- We maintain focus on reducing NWC after the UTi integration
- Financial gearing at 1.6x, steadily moving towards target range (1.0-1.5x)

# Revised outlook for 2017

| (DKKm)                               | 2016 actual | 2017 previous | 2017 revised |
|--------------------------------------|-------------|---------------|--------------|
| EBIT before special items            | 3,475       | 4,200-4,500   | 4,300-4,600  |
| Net financial expenses*              | 299         | 300           | 300          |
| Effective tax rate                   | 26.7%       | 25%           | 25%          |
| Adjusted free cash flow excl. M&A ** | 1,194       | 3,500         | 3,500        |

\*Actual 2016 excludes an extraordinary foreign exchange gain of DKK 115 million

\*\* Adjusted free cash flow for 2016 includes DKK 644 million cash impact of restructuring costs.

- Gross profit and EBIT before special items for Q1 2017 were positively impacted by a gain from property transactions of ~ DKK 125 million. In combination with the underlying financial performance in the quarter this leads to an upwards adjustment of the full-year outlook for EBIT
- The outlook for 2017 is based on the assumption of a stable development in the markets in which the Group operates and that currency rates remain at the current level (May 2017)
- Integration costs of approx. DKK 500 million are expected in connection with the continued integration of UTi in 2017

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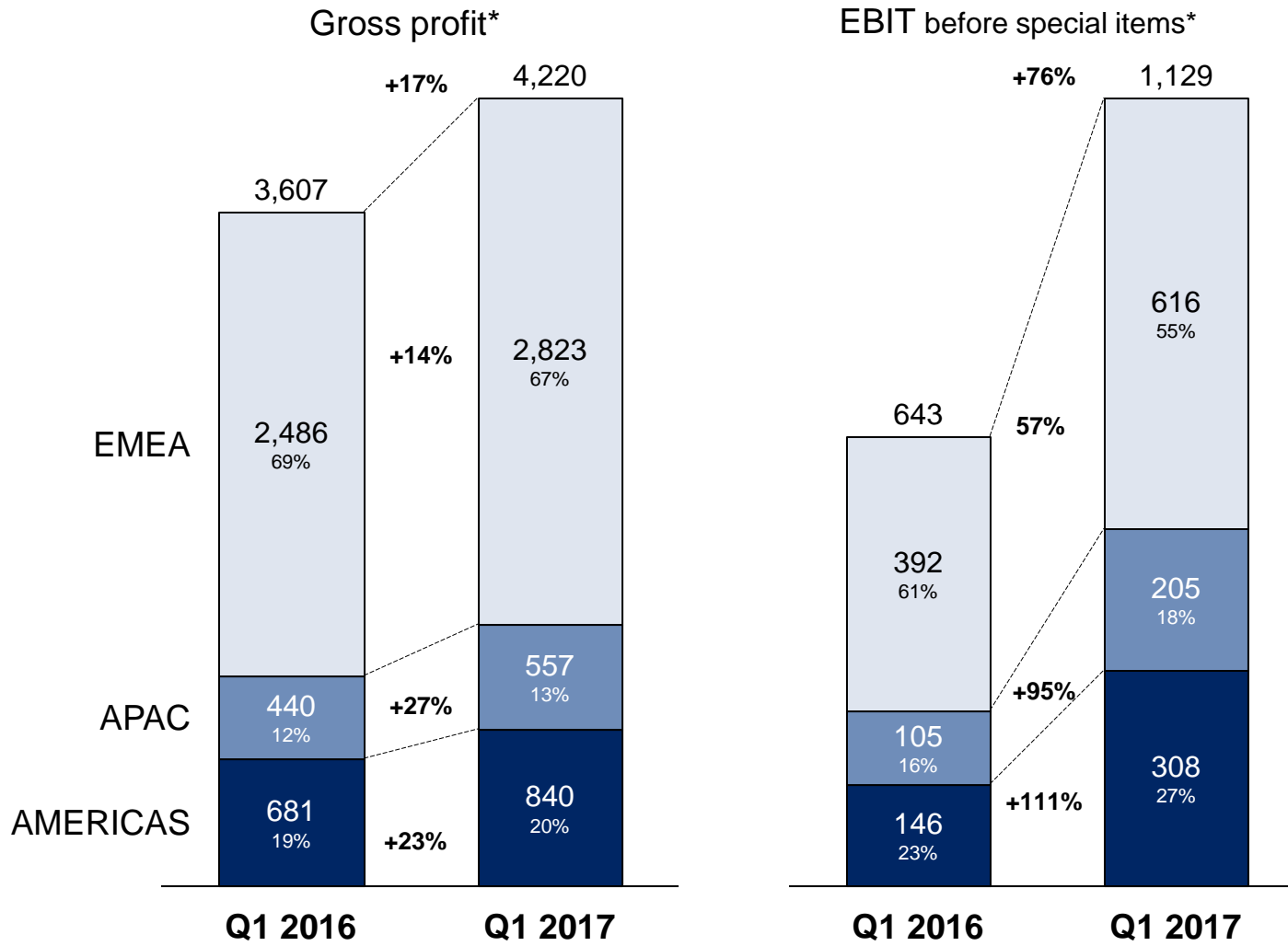
To ask questions press "0" and then "1"



## Appendix



# Regional development Q1 2017 (DKKm)



\*) Growth % includes effect of M&A and currency

# Quarterly P&L details

## DSV

| (DKKm)  | FY 2015       | Q1 2016      | Q2 2016      | Q3 2016      | Q4 2016      | FY 2016       | Q1 2017      |
|---|---------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Net revenue   | 50,869        | 15,319       | 17,606       | 17,205       | 17,617       | 67,747        | 18,223       |
| Direct costs  | 39,668        | 11,712       | 13,392       | 13,186       | 13,619       | 51,909        | 14,003       |
| <b>Gross profit</b>                                 | <b>11,201</b> | <b>3,607</b> | <b>4,214</b> | <b>4,019</b> | <b>3,998</b> | <b>15,838</b> | <b>4,220</b> |
| Other external expenses                             | 2,149         | 790          | 877          | 786          | 854          | 3,307         | 851          |
| Staff costs   | 5,477         | 1,997        | 2,228        | 2,027        | 2,029        | 8,281         | 2,058        |
| <b>EBITDA before special items</b>                  | <b>3,575</b>  | <b>820</b>   | <b>1,109</b> | <b>1,206</b> | <b>1,115</b> | <b>4,250</b>  | <b>1,311</b> |
| Amortisation and depreciation                       | 525           | 177          | 209          | 203          | 186          | 775           | 182          |
| <b>EBIT before special items</b>                    | <b>3,050</b>  | <b>643</b>   | <b>900</b>   | <b>1,003</b> | <b>929</b>   | <b>3,475</b>  | <b>1,129</b> |
| Special Items, net costs                            | 58            | 370          | 341          | 155          | 136          | 1,002         | 160          |
| Financial costs, net costs                          | 303           | -46          | 104          | 85           | 41           | 184           | 94           |
| <b>Profit before tax</b>                            | <b>2,689</b>  | <b>319</b>   | <b>455</b>   | <b>763</b>   | <b>752</b>   | <b>2,289</b>  | <b>875</b>   |
| Tax on profit for the period                        | 631           | 86           | 122          | 211          | 192          | 611           | 206          |
| <b>Profit for the period</b>                        | <b>2,058</b>  | <b>233</b>   | <b>333</b>   | <b>552</b>   | <b>560</b>   | <b>1,678</b>  | <b>669</b>   |
| <i>Gross margin, %</i>                              | 22.0          | 23.5         | 23.9         | 23.4         | 22.7         | 23.4          | 23.2         |
| <i>Operating margin, %</i>                          | 6.0           | 4.2          | 5.1          | 5.8          | 5.3          | 5.1           | 6.2          |
| <i>Conversion ratio, %</i>                          | 27.2          | 17.8         | 21.4         | 25.0         | 23.2         | 21.9          | 26.8         |
| <i>Tax percentage</i>                               | 23.5          | 27.0         | 26.8         | 27.7         | 25.5         | 26.7          | 23.5         |
| <i>Blue-collar costs (included in direct costs)</i> | 2,299         | 812          | 993          | 1,034        | 1,121        | 3,960         | 1,081        |
| Number of full-time employees                       | 22,783        | 44,334       | 43,593       | 45,395       | 44,779       | 44,779        | 45,112       |

# Quarterly P&L details

## Air & Sea

| (DKKm)                             | FY 2015      | Q1 2016      | Q2 2016      | Q3 2016      | Q4 2016      | FY 2016      | Q1 2017      |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Divisional net revenue             | 21,685       | 7,055        | 8,416        | 8,282        | 8,347        | 32,100       | 8,470        |
| Direct costs                       | 16,394       | 5,178        | 6,108        | 6,159        | 6,317        | 23,762       | 6,354        |
| <b>Gross profit</b>                | <b>5,291</b> | <b>1,877</b> | <b>2,308</b> | <b>2,123</b> | <b>2,030</b> | <b>8,338</b> | <b>2,116</b> |
| Other external expenses            | 1,045        | 479          | 640          | 550          | 508          | 2,177        | 491          |
| Staff costs                        | 2,215        | 937          | 1,078        | 898          | 911          | 3,824        | 904          |
| <b>EBITDA before special items</b> | <b>2,031</b> | <b>461</b>   | <b>590</b>   | <b>675</b>   | <b>611</b>   | <b>2,337</b> | <b>721</b>   |
| Amortisation and depreciation      | 108          | 47           | 56           | 49           | 42           | 194          | 31           |
| <b>EBIT before special items</b>   | <b>1,923</b> | <b>414</b>   | <b>534</b>   | <b>626</b>   | <b>569</b>   | <b>2,143</b> | <b>690</b>   |
| <i>Gross margin, %</i>             | 24.4         | 26.6         | 27.4         | 25.6         | 24.3         | 26.0         | 25.0         |
| <i>Operating margin, %</i>         | 8.9          | 5.9          | 6.3          | 7.6          | 6.8          | 6.7          | 8.1          |
| <i>Conversion ratio, %</i>         | 36.3         | 22.1         | 23.1         | 29.5         | 28.0         | 25.7         | 32.6         |
| Number of full-time employees      | 6,754        | 16,686       | 15,016       | 13,799       | 12,891       | 12,891       | 12,648       |

## Road

| (DKKm)                             | FY 2015      | Q1 2016      | Q2 2016      | Q3 2016      | Q4 2016      | FY 2016      | Q1 2017      |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Divisional net revenue             | 24,718       | 6,688        | 7,368        | 7,111        | 7,156        | 28,323       | 7,633        |
| Direct costs                       | 20,221       | 5,431        | 6,009        | 5,864        | 5,925        | 23,229       | 6,200        |
| <b>Gross profit</b>                | <b>4,497</b> | <b>1,257</b> | <b>1,359</b> | <b>1,247</b> | <b>1,231</b> | <b>5,094</b> | <b>1,433</b> |
| Other external expenses            | 1,049        | 332          | 314          | 304          | 274          | 1,224        | 332          |
| Staff costs                        | 2,404        | 670          | 691          | 612          | 689          | 2,662        | 686          |
| <b>EBITDA before special items</b> | <b>1,044</b> | <b>255</b>   | <b>354</b>   | <b>331</b>   | <b>268</b>   | <b>1,208</b> | <b>415</b>   |
| Amortisation and depreciation      | 126          | 36           | 44           | 41           | 38           | 159          | 37           |
| <b>EBIT before special items</b>   | <b>918</b>   | <b>219</b>   | <b>310</b>   | <b>290</b>   | <b>230</b>   | <b>1,049</b> | <b>378</b>   |
| <i>Gross margin, %</i>             | 18.2         | 18.8         | 18.4         | 17.5         | 17.2         | 18.0         | 18.8         |
| <i>Operating margin, %</i>         | 3.7          | 3.3          | 4.2          | 4.1          | 3.2          | 3.7          | 5.0          |
| <i>Conversion ratio, %</i>         | 20.4         | 17.4         | 22.8         | 23.3         | 18.7         | 20.6         | 26.4         |
| Number of full-time employees      | 9,280        | 11,581       | 11,931       | 12,710       | 12,518       | 12,518       | 12,576       |



# Quarterly P&L details

## Solutions

| (DKKm)                             | FY 2015      | Q1 2016    | Q2 2016    | Q3 2016    | Q4 2016    | FY 2016      | Q1 2017    |
|------------------------------------|--------------|------------|------------|------------|------------|--------------|------------|
| Divisional net revenue             | 5,960        | 2,043      | 2,406      | 2,492      | 2,742      | 9,683        | 2,678      |
| Direct costs                       | 4,540        | 1,507      | 1,737      | 1,808      | 2,015      | 7,067        | 2,007      |
| <b>Gross profit</b>                | <b>1,420</b> | <b>536</b> | <b>669</b> | <b>684</b> | <b>727</b> | <b>2,616</b> | <b>671</b> |
| Other external expenses            | 486          | 165        | 192        | 202        | 242        | 801          | 236        |
| Staff costs                        | 540          | 273        | 322        | 311        | 282        | 1,188        | 309        |
| <b>EBITDA before special items</b> | <b>394</b>   | <b>98</b>  | <b>155</b> | <b>171</b> | <b>203</b> | <b>627</b>   | <b>126</b> |
| Amortisation and depreciation      | 152          | 51         | 65         | 66         | 61         | 243          | 60         |
| <b>EBIT before special items</b>   | <b>242</b>   | <b>47</b>  | <b>90</b>  | <b>105</b> | <b>142</b> | <b>384</b>   | <b>66</b>  |
| <i>Gross margin, %</i>             | 23.8         | 26.2       | 27.8       | 27.4       | 26.5       | 27.0         | 25.1       |
| <i>Operating margin, %</i>         | 4.1          | 2.3        | 3.7        | 4.2        | 5.2        | 4.0          | 2.5        |
| <i>Conversion ratio, %</i>         | 17.0         | 8.8        | 13.5       | 15.4       | 19.5       | 14.7         | 9.8        |
| Number of full-time employees      | 5,821        | 15,057     | 14,598     | 16,854     | 17,432     | 17,432       | 17,651     |

# Investor contact information

## Share information



DSV shares are listed on the stock exchange in Copenhagen under the symbol 'DSV'.  
For further company information, please visit DSV's website at: [www.dsv.com](http://www.dsv.com)

## Financial calendar 2017



2 Aug. 2017 Interim Financial Report, H1 2017  
26 Oct. 2017 Interim Financial Report, Third Quarter 2017

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