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INTERIM FINANCIAL REPORT

H1 2019

Company Announcement no. 767

31 July 2019

Selected financial and operating data for the period 1 January - 30 June 2019

(DKK m)	Q2 2019	Q2 2018 excl. IFRS 16	YTD 2019	YTD 2018 excl. IFRS 16
Revenue	20,079	19,491	40,058	37,871
Gross profit	5,285	4,450	10,399	8,570
EBIT before special items	1,631	1,449	3,085	2,605
Operating margin	8.1%	7.4%	7.7%	6.9%
Conversion ratio	30.9%	32.6%	29.7%	30.4%
Special items, costs	19	-	19	-
Profit after tax	1,149	1,187	2,112	1,956
Adjusted earnings for the period	1,196	1,214	2,189	2,000
Adjusted free cash flow			1,802	1,671
Diluted adjusted earnings per share of DKK 1 for the last 12 months			23.5	20.5

Jens Bjørn Andersen, Group CEO: "We are very pleased with the strong results for the second quarter of 2019. Global transport markets are soft – especially within air freight, but DSV has managed to outgrow the market while still delivering market leading profitability. We expect that the Panalpina transaction will close in Q3 and we look forward to combining two strong companies and leveraging our extensive networks and expertise to provide even stronger customer offerings."

To facilitate the listing of new shares for the Exchange Offer to the shareholders of Panalpina, DSV withdrew its outlook for 2019 on 30 April 2019. We expect to publish a new financial outlook once the combination with Panalpina has been completed.

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Yours sincerely,
DSV A/S

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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 EGS; 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 Panalpina 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 Panalpina) 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 Panalpina'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 Panalpina. 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.

IMPORTANT ADDITIONAL INFORMATION

This announcement does not constitute or form part of any offer to exchange or acquire, or a solicitation of an offer to exchange or acquire, shares in Panalpina, or an offer to sell, acquire or offer, or a solicitation to sell, acquire or offer shares in DSV. This announcement is not a substitute for the (i) Swiss offer prospectus or (ii) listing prospectus for new DSV shares ((i) to (ii) collectively, the "Offer Documents"). No offering of securities shall be made in the United States except pursuant to a vendor placement or another applicable exception from the registration requirements pursuant to the U.S. securities laws.

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Financial highlights

	Q2 2019	Q2 2018 excl. IFRS 16	YTD 2019	YTD 2018 excl. IFRS 16
Income statement (DKKm)				
Revenue	20,079	19,491	40,058	37,871
Gross profit	5,285	4,450	10,399	8,570
EBITDA before special items	2,441	1,631	4,704	2,969
EBIT before special items	1,631	1,449	3,085	2,605
Special items, costs	19	-	19	-
Net financial expenses	149	(120)	322	35
Profit for the period	1,149	1,187	2,112	1,956
Adjusted earnings for the period	1,196	1,214	2,189	2,000
Balance sheet (DKKm)				
DSV A/S shareholders' share of equity			15,549	15,210
Non-controlling interests			(61)	(31)
Balance sheet total			49,721	39,395
Net working capital			2,012	2,023
Net interest-bearing debt			14,778	5,454
Invested capital			30,027	20,678
Gross investment in property, plant and equipment			389	332
Cash flows (DKKm)				
Operating activities			3,691	1,699
Investing activities			(296)	(28)
Free cash flow			3,395	1,671
Adjusted free cash flow			1,802	1,671
Financing activities			(3,199)	(1,748)
Share buyback			(923)	(1,449)
Dividends distributed			(423)	(380)
Cash flow for the period			196	(77)
Financial ratios (%)				
Gross margin	26.3	22.8	26.0	22.6
Operating margin	8.1	7.4	7.7	6.9
Conversion ratio	30.9	32.6	29.7	30.4
Effective tax rate	21.5	24.3	23.0	23.9
ROIC before tax*			20.1	24.3
Return on equity (ROE)			27.0	23.8
Solvency ratio			31.3	38.6
Gearing ratio*			1.6	0.9
Share ratios				
Earnings per share of DKK 1 for the last 12 months			23.2	19.2
Diluted adjusted earnings per share of DKK 1 for the period	6.6	6.5	12.1	10.7
Diluted adjusted earnings per share of DKK 1 for the last 12 months			23.5	20.5
Number of shares issued ('000)			186,000	188,000
Number of treasury shares ('000)			7,707	5,192
Average number of shares issued ('000) for the last 12 months			179,638	184,718
Average diluted number of shares ('000) for the last 12 months			182,062	187,443
Share price end of period (DKK)			644.6	515.6
Staff				
Number of full-time employees			47,552	47,144

The implementation of IFRS 16 Leases as from 1 January 2019 has a material impact on DSV's financial statements and key ratios. Comparative figures for 2018 have not been restated.

For a definition of the financial highlights, please refer to page 81 of the 2018 Annual Report.

*For the calculation of financial ratios for H1 2019, certain pro forma adjustments have been made, please refer to note 2.

Management's commentary

The implementation of IFRS 16 Leases as from 1 January 2019 had a material impact on DSV's financial statements and key ratios as most contracts previously classified as operating leases have now been capitalised. On a divisional level, the impact of IFRS 16 is most significant for Solutions, less significant for Road and insignificant for Air & Sea. The 2018 financial statements have not been restated, and therefore *year-on-year growth rates have been calculated excluding IFRS 16* to illustrate the underlying development.

The Group achieved a gross profit of DKK 10,399 million for the first six months of 2019 compared to DKK 8,570 million for the same period last year. In constant currencies and excluding the impact of IFRS 16, the underlying growth in gross profit was 6.9%.

EBIT before special items was DKK 3,085 million for the first six months compared to DKK 2,605 million for the same period of 2018. In constant currencies and excluding the impact of IFRS 16, the underlying growth in EBIT before special items was 9.0%.

” DSV has performed well and gained market share within most business segments despite challenging market conditions.



DSV and Panalpina

On 1 April 2019, DSV pre-announced an all-share voluntary public exchange offer for all publicly held shares in Panalpina Weltransport Holding AG (Panalpina).

The overall steps needed to combine DSV and Panalpina are progressing according to plan; a capital increase of 56 million shares was approved at an extraordinary general meeting held 27 May 2019, an EU listing prospectus was published 11 June 2019, and the Definitive Notice of the Interim Result of the public exchange offer published 23 July 2019 showed that a total of 88.27% of the shares in Panalpina had been tendered into the offer.

An additional acceptance period of ten trading days started on 24 July 2019 and will prospectively run until 7 August 2019. The provisional notice of the final result of the offer will be published by DSV on 8 August 2019.

Closing of the transaction is still subject to relevant regulatory approvals being obtained from competition authorities. We expect closing in Q3 2019.

Transactional overview and further details are available to eligible persons at DSV's investor site (investor.dsv.com) and

via the following link <https://dsv.qcs-web.com/panalpina-transaction>.

Profit for the period

Revenue

For the first six months of 2019, DSV revenue amounted to DKK 40,058 million (H1 2018: DKK 37,871 million). Adjusted for exchange rate fluctuations (in constant currencies), growth for the period was 5.0%.

The Air & Sea division achieved growth in revenue of 7.6%, Road 2.6% and Solutions 3.3% (in constant currencies) for the first six months of 2019 compared to the same period last year.

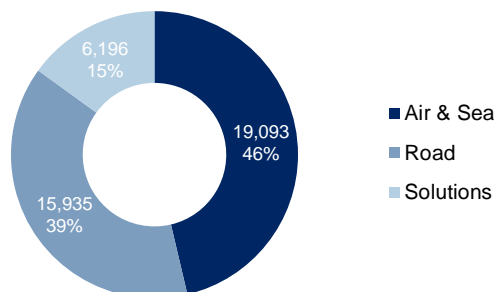
For Q2 2019, revenue amounted to DKK 20,079 million compared to DKK 19,491 million for the same period last year. Adjusted for exchange rate fluctuations (in constant currencies), growth for the period was 2.4%. In Q2 2019, Air & Sea achieved underlying growth of 5.3%, Road minus 0.4% and Solutions 0.6%. Relative to the same period in 2018, revenue for the quarter was negatively impacted by fewer working days.

DSV has performed well and gained market share within most business segments despite challenging market conditions. The global freight and logistics market continued to soften in the

second quarter of 2019, with especially air freight market volumes estimated to be down by 5%. Global sea freight volumes, the European road freight market and contract logistics market have been more stable and are estimated to have grown by 1-2%, close to the growth in the underlying economy.

The continued political uncertainty about trade tariffs between US and China accompanied by a deceleration in global investment continued to impact global trade volumes in the second quarter of 2019.

REVENUE YTD 2019 (DKKm)



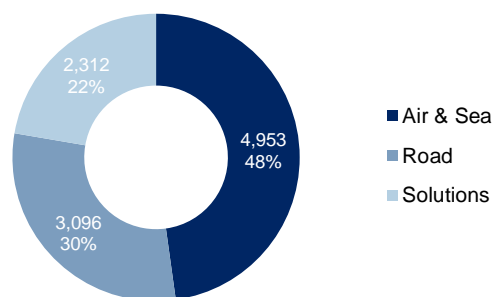
Gross profit

Gross profit was DKK 10,399 million for the first six months of the year compared to DKK 8,570 million for the same period of 2018. IFRS 16 had a positive impact on gross profit for the period of DKK 1,147 million.

In constant currencies and excluding IFRS 16, the underlying growth in gross profit was 6.9%. In H1 2019, the Air & Sea division achieved an underlying growth of 6.3%; the Road and Solutions divisions achieved growth of 4.6% and 8.7%, respectively.

For Q2 2019, gross profit amounted to DKK 5,285 million compared to DKK 4,450 million for the same period last year. In constant currencies and excluding IFRS 16, the growth in gross profit was 5.5%. In Q2 2019, Air & Sea achieved an underlying growth of 3.8%, Road 4.8% and Solutions 8.5%. The growth in Q2 2019 was negatively impacted by fewer working days.

GROSS PROFIT YTD 2019 (DKKm)



The gross margin was 26.0% for H1 2019 (23.1% excluding IFRS 16) compared to 22.6% for H1 2018.

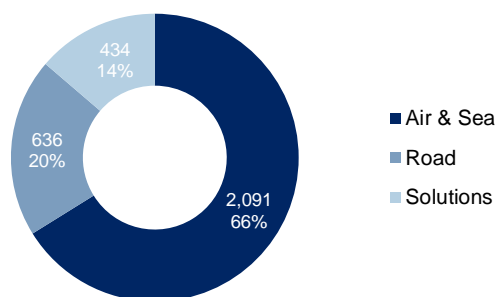
EBIT before special items

Operating profit before special items was DKK 3,085 million for H1 2019 compared to DKK 2,605 million for the same period of 2018. IFRS 16 impacted positively on EBIT for the period by DKK 195 million. In constant currencies and excluding IFRS 16, underlying growth for the period was 9.0%. For the six-month period, Air & Sea achieved an underlying growth of 13.5%, Road 3.5% and Solutions 3.0%.

For Q2 2019, operating profit before special items amounted to DKK 1,631 million compared to DKK 1,449 million for the same period last year. In constant currencies and excl. IFRS 16, growth for the period was 4.1%.

The growth in earnings in Q2 2019 was primarily attributable to Air & Sea and Solutions. Air & Sea achieved an underlying growth of 7.8% and Solutions 2.9%. The Road division realised a decline of 4.3% and was negatively impacted by lower number of working days in the quarter.

EBIT BEFORE SPECIAL ITEMS YTD 2019 (DKKm)



The conversion ratio was 29.7% for H1 2019 (31.2% excluding IFRS 16), compared to 30.4% for the corresponding period of 2018. The positive underlying margin development illustrates DSV's scalable network and infrastructure.

The operating margin was 7.7% for H1 2019 (7.2% excluding IFRS 16), compared to 6.9% for the same period last year.

Special items

Special items totalled DKK 19 million for the first six months of 2019 (H1 2018: DKK 0 million) and include a minor loss from divestment of activities and consultancy fees related to the ongoing combination of Panalpina and DSV.

Financial items

Financial items totalled a net expense of DKK 322 million for H1 2019 (H1 2018: DKK 35 million): Interest on lease liabilities of DKK 180 million (H1 2018: DKK 7 million), other net interest expenses of DKK 146 million (H1 2018: DKK 126 million) and net exchange rate gains of DKK 4 million (H1 2018: DKK 98 million).

BRIDGE 2018-2019

(DKKm)	Q2 2018 excl. IFRS 16	Currency translation adjustments	Growth	Underlying growth*	Q2 2019 excl. IFRS 16	IFRS 16 impact	Q2 2019
Revenue	19,491	122	466	2.4%	20,079	-	20,079
Gross profit	4,450	37	248	5.5%	4,735	550	5,285
EBIT before special items	1,449	21	61	4.1%	1,531	100	1,631
Gross margin (%)	22.8				23.6		26.3
Operating margin (%)	7.4				7.6		8.1
Conversion ratio (%)	32.6				32.3		30.9

	YTD 2018 excl. IFRS 16	Currency translation adjustments	Growth	Underlying growth*	YTD 2019 excl. IFRS 16	IFRS 16 impact	YTD 2019
Revenue	37,871	262	1,925	5.0%	40,058	-	40,058
Gross profit	8,570	83	599	6.9%	9,252	1,147	10,399
EBIT before special items	2,605	47	238	9.0%	2,890	195	3,085
Gross margin (%)	22.6				23.1		26.0
Operating margin (%)	6.9				7.2		7.7
Conversion ratio (%)	30.4				31.2		29.7

* Growth in constant currencies and before IFRS 16 impact

Tax on profit for the period

The effective tax rate was 23.0% for H1 2019 compared to 23.9% for H1 2018.

Profit for the period

Profit for the first six months of 2019 was DKK 2,112 million compared to DKK 1,956 million for the same period of 2018. The growth was primarily driven by higher operating profit in 2019, but was negatively impacted by an increase in net financial expenses. The implementation of IFRS 16 had no material impact on profit for the period.

Diluted adjusted earnings per share

The 12-month figure to the end of June 2019 was DKK 23.5 per share compared to DKK 20.5 for the same period last year.

IFRS 16 has no material impact on earnings per share.

Cash flow statement

CASH FLOW STATEMENT

(DKKm)	YTD 2019	YTD 2018 excl. IFRS 16
Cash flow from operating activities	3,691	1,699
Cash flow from investing activities	(296)	(28)
Free cash flow	3,395	1,671
Proceeds from and repayment of short-term and long-term debt	(2,319)	(244)
Allocated to shareholders	(1,346)	(1,829)
Exercise of share options	446	312
Other transactions with shareholders	20	13
Cash flow from financing activities	(3,199)	(1,748)
Cash flow for the period	196	(77)
Free cash flow	3,395	1,671
Repayment of lease liabilities and interest (IFRS 16 impact reversed)	(1,475)	-
Net acquisition of subsidiaries and activities	(126)	-
Special items (restructuring costs)	8	-
Adjusted free cash flow	1,802	1,671

Cash flow from operating activities

Cash flow from operating activities was DKK 3,691 million for the first six months of 2019 compared to DKK 1,699 million for the same period of 2018. The increase of DKK 1,992 million was mainly due to IFRS 16, which had a positive impact of DKK 1,475 million for the first six months as repayment of lease liabilities and interest is now reported as financing activities. The underlying improvement was around DKK 500 million and was driven primarily by an increase in operating results and a positive development in NWC offset by higher tax payments.

Cash flow from investing activities

Cash flow from investing activities amounted to a negative cash flow of DKK 296 million for the first six months of 2019 compared to a negative cash flow of DKK 28 million for the same period of 2018. In the first six months of 2019, we divested property, plant and equipment of DKK 164 million compared to DKK 555 million in the same period of 2018.

Adjusted free cash flow

Adjusted free cash flow for the period was DKK 1,802 million compared to DKK 1,671 million for the same period last year. The variance is primarily due to the development in net working capital. The implementation of IFRS 16 had no impact on adjusted free cash flow.

Net working capital

The Group reported funds tied up in net working capital of DKK 2,012 million on 30 June 2019 compared to DKK 2,023 million on 30 June 2018.

Relative to full-year revenue, the net working capital amounted to 2.5% on 30 June 2019 (30 June 2018: 2.7%). The target for NWC is 2% of revenue by year-end, but due to seasonality NWC is higher during the year.

Capital structure and finances

DSV A/S shareholders' share of equity

The equity interest of DSV shareholders was DKK 15,549 million on 30 June 2019 (DKK 14,561 million on 31 December 2018).

Equity was mainly affected by the profit for the period, distribution of dividends and share buybacks.

On 27 May 2019, at the extraordinary general meeting of DSV A/S the Board of Directors was granted special authority to increase the share capital up to nominally DKK 56,406,250. The capital increase will be completed upon closing of the transaction.

On 30 June 2019, the Company's portfolio of treasury shares amounted to 7,707,169 shares, corresponding to 4.14% of the total number of shares issued. On 30 July 2019, DSV's portfolio of treasury shares amounts to 8,360,669 shares.

DSV has launched a share buyback programme of a maximum value of DKK 3,500 million, running from 30 April to 8 November 2019. Please refer to Company Announcement No. 745 for further details.

The solvency ratio excluding non-controlling interests was 31.3% on 30 June 2019 (30 June 2018: 38.6%). The decline was primarily due to IFRS 16.

DEVELOPMENT IN EQUITY

(DKKm)	YTD 2019	YTD 2018 excl. IFRS 16
Equity at 1 January 2019 as previously reported	14,561	14,835
Impact of accounting policy change	(593)	-
Equity on 1 January	13,968	14,835
Profit for the period	2,124	1,965
Currency translation adjustments, foreign enterprises	129	(151)
Allocated to shareholders	(1,346)	(1,829)
Sale of treasury shares	446	312
Other equity movements	228	78
Equity end of period	15,549	15,210

Net interest-bearing debt

Net interest-bearing debt amounted to DKK 14,778 million on 30 June 2019 (including IFRS 16 lease liability of DKK 10,279 million), compared to a total net interest-bearing debt of DKK 5,454 million on 30 June 2018.

Due to the impact from IFRS 16, the financial gearing ratio was 1.6 on 30 June 2019, up from 0.9 for the same period last year. The targeted financial gearing ratio is below 2 times EBITDA. The implementation of IFRS 16 had no impact on DSV's agreements and terms with banks regarding long-term funding.

The weighted average duration of DSV's bonds, loan and credit facilities was 2.8 years on 30 June 2019 compared to 3.0 on 30 June 2018.

Invested capital

The Group's invested capital including goodwill and customer relationships amounted to DKK 30,027 million on 30 June 2019 (including right-of-use assets of DKK 9,461 million) compared to DKK 20,678 million on 30 June 2018.

Return on invested capital (ROIC before tax)

Return on invested capital including goodwill and customer relationships was 20.1% for the 12-month period ended 30 June 2019 compared to 24.3% for the same period last year.

Outlook

As previously announced, DSV has withdrawn its outlook until the combination with Panalpina has been completed, expectedly in Q3 2019. Until completion, DSV does not intend to publish or comment on any financial forecast, guidance or outlook for DSV stand-alone or in combination with Panalpina except as required by law. Financial targets are not and should not be construed to imply a forecast, outlook or guidance. Any forecast, outlook or guidance disseminated by others may or may not be accurate.

DSV Air & Sea

Activities

The Air & Sea division operates a global network specialised in transportation of cargo by air and sea. The division offers both conventional freight forwarding services and tailored project cargo solutions.

For H1 2019, Air and Sea reported 1% growth in air freight volumes and 5% growth for sea freight. The division reported EBIT before special items of DKK 2,091 million for H1 2019 (H1 2018: DKK 1,783 million) corresponding to an underlying growth of 13.5%. The conversion ratio for the first six months of 2019 was 42.2% (H1 2018: 39.3%).



” For Q2 2019, EBIT before special items totalled DKK 1,093 million, corresponding to an underlying growth of 7.8% compared to the same period last year.

INCOME STATEMENT

(DKKm)	Q2 2019	Q2 2018 excl. IFRS 16	YTD 2019	YTD 2018 excl. IFRS 16
Divisional revenue	9,682	9,095	19,093	17,509
Direct costs	7,153	6,708	14,140	12,977
Gross profit	2,529	2,387	4,953	4,532
Other external expenses	424	485	810	942
Staff costs	935	893	1,878	1,763
EBITDA before special items	1,170	1,009	2,265	1,827
Depreciation of right-of-use assets	61	2	143	3
Depreciation and amortisation of owned assets	16	19	31	41
EBIT before special items	1,093	988	2,091	1,783

KEY PERFORMANCE INDICATORS

	Q2 2019	Q2 2018 excl. IFRS 16	YTD 2019	YTD 2018 excl. IFRS 16
Gross margin (%)	26.1	26.2	25.9	25.9
Operating margin (%)	11.3	10.9	11.0	10.2
Conversion ratio (%)	43.2	41.4	42.2	39.3
Number of full-time employees			12,103	12,065
Total invested capital (DKKm)			12,427	10,971
Net working capital (DKKm)			1,602	1,554
ROIC before tax (%)			32.3	31.3

Market development

Freight volume growth

	DSV Q2 2019	Market Q2 2019	DSV YTD 2019	Market YTD 2019
Sea freight – TEUs	6%	2%	5%	2%
Air freight – tonnes	(2%)	(5%)	1%	(4%)

Market growth rates are based on own estimates.

The division reported an increase in sea freight volumes (TEUs) of 5% for the first six months of 2019. This is above the underlying market, which is estimated to have grown 2% in the same period. DSV's growth was mainly driven by exports from the Americas region, but European exports also contributed to the growth.

For air freight volumes, the division reported a volume (tonnes) growth of 1% for the first six months of 2019, however, volumes declined by 2% in Q2 2019. The slowdown follows the market trend, but is also impacted by the termination of a high-volume, low-margin customer contract. It is estimated that the air freight market declined 4% in H1 2019, impacted primarily by political uncertainty relating to the US-China relationship.

Divisional revenue

The division's revenue amounted to DKK 19,093 million for the first six months of 2019 compared to DKK 17,509 million for the same period last year. In constant currencies, growth for the period was 7.6%.

For Q2 2019, revenue amounted to DKK 9,682 million compared to DKK 9,095 million for the same period last year, corresponding to a growth in constant currencies of 5.3%.

The growth has been achieved within the division's normal activity areas: controlled cargo which benefits the global network and facilitates cross-selling of value-added services.

Gross profit

Gross profit was DKK 4,953 million for H1 2019 compared to DKK 4,532 million for the same period in 2018. This corresponds to an underlying growth for the period of 6.3%.

For Q2 2019, gross profit amounted to DKK 2,529 million compared to DKK 2,387 million for the same period last year, which corresponds to an underlying growth of 3.8%.

The division's gross margin was 25.9% for H1 2019 compared to 25.9% for the same period last year.

Underlying gross profit per shipment showed a satisfactory development in the first six months of 2019 and improved for both sea freight and – most significantly – air freight.

The termination of a high-volume, low-margin customer contract also impacted gross profit per shipment for air freight.

EBIT before special items

EBIT before special items was DKK 2,091 million for the first six months of 2019 compared to DKK 1,783 million for the same period last year. This corresponds to an underlying growth for the period of 13.5%.

For Q2 2019, EBIT before special items totalled DKK 1,093 million, compared to DKK 988 million for the same period last year, which corresponds to an underlying growth of 7.8%.

The growth in earnings was driven by all regions, but with the strongest performance in the Americas.

The conversion ratio was 42.2% for H1 2019 compared to 39.3% for the same period last year. The operating margin was 11.0% compared to 10.2% for the same period last year.

For Q2 2019, the conversion ratio was 43.2% compared to 41.4% for the same period last year. The operating margin was 11.3% compared to 10.9% for Q2 2018.

The increase in operating margins is a result of a continued successful leveraging of our global network, efficient IT infrastructure and back-office functions.

Net working capital

The Air & Sea division's funds tied up in net working capital came to DKK 1,602 million on 30 June 2019 compared to DKK 1,554 million on 30 June 2018.

BRIDGE 2018-2019

(DKKm)	Q2 2018 excl. IFRS 16	Currency translation adjustments	Growth	Underlying growth*	Q2 2019 excl. IFRS 16	IFRS 16 impact	Q2 2019
Divisional revenue	9,095	100	487	5.3%	9,682	-	9,682
Gross profit	2,387	36	93	3.8%	2,516	13	2,529
EBIT before special items	988	20	79	7.8%	1,087	6	1,093
Gross margin (%)	26.2				26.0		26.1
Operating margin (%)	10.9				11.2		11.3
Conversion ratio (%)	41.4				43.2		43.2

	YTD 2018 excl. IFRS 16	Currency translation adjustments	Growth	Underlying growth*	YTD 2019 excl. IFRS 16	IFRS 16 impact	YTD 2019
Divisional revenue	17,509	228	1,356	7.6%	19,093	-	19,093
Gross profit	4,532	83	290	6.3%	4,905	48	4,953
EBIT before special items	1,783	45	247	13.5%	2,075	16	2,091
Gross margin (%)	25.9				25.7		25.9
Operating margin (%)	10.2				10.9		11.0
Conversion ratio (%)	39.3				42.3		42.2

* Growth in constant currencies and before IFRS 16 impact

AIR AND SEA SPLIT

(DKKm)	Sea freight				Air freight			
	Q2 2019	Q2 2018 excl. IFRS16	YTD 2019	YTD 2018 excl. IFRS16	Q2 2019	Q2 2018 excl. IFRS16	YTD 2019	YTD 2018 excl. IFRS16
Divisional revenue	5,118	4,485	9,932	8,693	4,564	4,610	9,161	8,816
Direct costs	3,813	3,284	7,433	6,412	3,340	3,424	6,707	6,565
Gross profit	1,305	1,201	2,499	2,281	1,224	1,186	2,454	2,251
Gross margin (%)	25.5	26.8	25.2	26.2	26.8	25.7	26.8	25.5
Volume (TEUs/tonnes)	391,333	369,211	751,258	715,999	170,301	173,578	340,404	336,267
Gross profit per unit (DKK)	3,335	3,253	3,326	3,186	7,187	6,833	7,209	6,694

DSV Road

Activities

DSV Road is among the market leaders in Europe and, furthermore, the division has operations in North America and South Africa. The division offers full load, part load and groupage services through a network of more than 200 terminals and operates approximately 20,000 trucks.

In H1 2019, the division reported 2.6% growth in revenue and 4.6% underlying growth in gross profit. EBIT before special items came to DKK 636 million with underlying growth of 3.5% compared to the same period last year.



” For Q2 2019, EBIT before special items totalled DKK 338 million, corresponding to a negative underlying growth of 4.3% compared to the same period last year.

INCOME STATEMENT

(DKKm)	Q2 2019	Q2 2018 excl. IFRS 16	YTD 2019	YTD 2018 excl. IFRS 16
Divisional revenue	7,833	7,862	15,935	15,538
Direct costs	6,298	6,544	12,839	12,914
Gross profit	1,535	1,318	3,096	2,624
Other external expenses	232	275	532	622
Staff costs	725	687	1,444	1,373
EBITDA before special items	578	356	1,120	629
Depreciation of right-of-use assets	213	4	431	7
Depreciation and amortisation of owned assets	27	30	53	59
EBIT before special items	338	322	636	563

KEY PERFORMANCE INDICATORS

	Q2 2019	Q2 2018 excl. IFRS 16	YTD 2019	YTD 2018 excl. IFRS 16
Gross margin (%)	19.6	16.8	19.4	16.9
Operating margin (%)	4.3	4.1	4.0	3.6
Conversion ratio (%)	22.0	24.4	20.5	21.5
Number of full-time employees			13,134	13,160
Total invested capital (DKKm)			7,842	4,287
Net working capital (DKKm)			(800)	(748)
ROIC before tax (%)			15.8	23.3

Market development

The European road market is estimated to be growing in line with the European economy, approximately 1-2%. With a 2.6% underlying growth in revenue for the first six months, it is management's assessment that the Road division has gained market share.

Divisional revenue

The division's revenue amounted to DKK 15,935 million for the first six months of 2019 compared to DKK 15,538 million for the same period last year. This corresponds to an underlying growth for the period of 2.6%.

For Q2 2019, revenue amounted to DKK 7,833 million compared to DKK 7,862 million for the same period last year. In Q2 2019, DSV Road divested the US based Market Transport Ltd., which became a part of the DSV Group when DSV acquired UTi Worldwide in 2016. Market Transport Ltd. had an annual revenue of approximately DKK 600 million. Adjusted for the impact of the divestment, underlying revenue growth was 1.3%.

Revenue for Q2 2019 was furthermore negatively impacted by a lower number of working days due to the timing of Easter.

Gross profit

For the first six months of 2019, gross profit totalled DKK 3,096 million compared to DKK 2,624 million for the same period last year. The underlying growth for the period was 4.6%, driven by higher activity and slightly improved pricing.

For Q2 2019, gross profit amounted to DKK 1,535 million compared to DKK 1,318 million for the same period last year. Underlying growth was 4.8%.

The division's gross margin was 19.4% for H1 2019 (17.2% excluding IFRS 16) compared to 16.9% for H1 2018.

After a period with tight haulier capacity and increasing prices, we experienced a slight softening in some areas, which had a positive impact on the gross margin.

EBIT before special items

EBIT before special items was DKK 636 million for the first six months of 2019 compared to DKK 563 million for the same period last year. The underlying growth for the period was 3.5%.

For Q2 2019, EBIT before special items totalled DKK 338 million compared to DKK 322 million for the same period last year. The underlying growth was negative by 4.3%. EBIT before special items for Q2 2019 was negatively impacted by the lower number of working days compared to the same period last year.

The conversion ratio was 20.5% for H1 2019 (21.4% excluding IFRS 16) compared to 21.5% for the same period last year. The operating margin was 4.0% (3.7% excluding IFRS 16) compared to 3.6% for the same period last year.

For Q2 2019, the conversion ratio was 22.0% (22.4% excluding IFRS 16) compared to 24.4% for the same period last year. The operating margin was 4.3% (4.0% excluding IFRS 16) compared to 4.1% for Q2 2018.

Net working capital

The Road division reported funds tied up in net working capital of a negative DKK 800 million on 30 June 2019 compared to DKK 748 million on 30 June 2018.

BRIDGE 2018-2019

(DKKm)	Q2 2018 excl. IFRS 16	Currency translation adjustments	Growth	Underlying growth*	Q2 2019 excl. IFRS 16	IFRS 16 impact	Q2 2019
Divisional revenue	7,862	5	(34)	(0.4%)	7,833	-	7,833
Gross profit	1,318	-	63	4.8%	1,381	154	1,535
EBIT before special items	322	2	(14)	(4.3%)	310	28	338
Gross margin (%)	16.8				17.6		19.6
Operating margin (%)	4.1				4.0		4.3
Conversion ratio (%)	24.4				22.4		22.0

	YTD 2018 excl. IFRS 16	Currency translation adjustments	Growth	Underlying growth*	YTD 2019 excl. IFRS 16	IFRS 16 impact	YTD 2019
Divisional revenue	15,538	(4)	401	2.6%	15,935	-	15,935
Gross profit	2,624	(3)	121	4.6%	2,742	354	3,096
EBIT before special items	563	4	20	3.5%	587	49	636
Gross margin (%)	16.9				17.2		19.4
Operating margin (%)	3.6				3.7		4.0
Conversion ratio (%)	21.5				21.4		20.5

* Growth in constant currencies and before IFRS 16 impact

DSV Solutions

Activities

DSV Solutions offers logistics and warehousing solutions that support customers' entire supply chains (contract logistics). In addition to traditional warehousing and distribution services, the division's service portfolio includes freight management, customs clearance, order management and e-commerce solutions.

In the first six months of 2019, DSV Solutions reported an underlying growth of 3.3% in revenue and 8.7% underlying growth in gross profit. EBIT before special items came to DKK 434 million for the first six months of 2019 with an underlying growth of 3.0% compared to the same period last year.



” For Q2 2019, EBIT before special items totalled DKK 241 million compared to DKK 175 million for the same period last year.

INCOME STATEMENT

(DKKm)	Q2 2019	Q2 2018 excl. IFRS 16	YTD 2019	YTD 2018 excl. IFRS 16
Divisional revenue	3,147	3,111	6,196	5,959
Direct costs	1,961	2,370	3,884	4,519
Gross profit	1,186	741	2,312	1,440
Other external expenses	254	226	518	461
Staff costs	304	286	610	564
EBITDA before special items	628	229	1,184	415
Depreciation of right-of-use assets	335	4	649	7
Depreciation and amortisation of owned assets	52	50	101	106
EBIT before special items	241	175	434	302

KEY PERFORMANCE INDICATORS

	Q2 2019	Q2 2018 excl. IFRS 16	YTD 2019	YTD 2018 excl. IFRS 16
Gross margin (%)	37.7	23.8	37.3	24.2
Operating margin (%)	7.7	5.6	7.0	5.1
Conversion ratio (%)	20.3	23.6	18.8	21.0
Number of full-time employees			20,146	19,584
Total invested capital (DKKm)			8,498	4,335
Net working capital (DKKm)			1,105	1,165
ROIC before tax (%)			10.8	14.6

Market development

The contract logistics market is estimated to have grown by 1-2% in H1 2019. Growth was strongest in the e-commerce sector, whereas growth for other, more conventional, industries was more in line with the underlying economic growth.

Measured by revenue, the division achieved growth of 3.3% in H1 2019, with APAC and Americas as the high-growth regions.

Divisional revenue

The division's revenue was DKK 6,196 million for H1 2019 compared to DKK 5,959 million for the same period of 2018. This corresponds to an underlying growth for the period of 3.3%.

For Q2 2019, revenue amounted to DKK 3,147 million compared to DKK 3,111 million for the same period last year, which corresponds to an underlying growth of 0.6%.

Gross profit

Gross profit was DKK 2,312 million for the first six months of 2019 compared to DKK 1,440 million for the same period of 2018. This corresponds to an underlying growth for the period of 8.7%.

For Q2 2019, gross profit amounted to DKK 1,186 million compared to DKK 741 million for the same period last year, which corresponds to an underlying growth of 8.5%.

The division's gross margin was 37.3% for H1 2019 (25.3% excluding IFRS 16) compared to 24.2% for the same period last year. The gross margin for Q2 2019 was 37.7% (25.5% excluding IFRS 16) compared to 23.8% for Q2 2018.

EBIT before special items

EBIT before special items was DKK 434 million for the first six months of 2019 compared to DKK 302 million for the same period of 2018. This corresponds to an underlying growth for the period of 3.0%.

For Q2 2019, EBIT before special items totalled DKK 241 million compared to DKK 175 million for the same period last year. This corresponds to an underlying growth for the period of 2.9%.

Regionally, growth was mainly driven by the Americas.

The conversion ratio was 18.8% for H1 2019 (19.8% excluding IFRS 16) compared to 21.0% for the same period last year. The division's operating margin was 7.0% for H1 2019 (5.0% excluding IFRS 16) compared to 5.1% for the same period last year.

For Q2 2019, the conversion ratio was 20.3% (22.3% excluding IFRS 16) compared to 23.6% for the same period last year. The operating margin was 7.7% (5.7% excluding IFRS 16) compared to 5.6% for Q2 2018.

The division continues to focus on increasing productivity through automation of warehouses, development of larger and more efficient warehouses and roll-out of the divisions global warehouse management system.

Net working capital

The division reported funds tied up in net working capital of DKK 1,105 million on 30 June 2019 compared to DKK 1,165 million on 30 June 2018.

BRIDGE 2018-2019

(DKKm)	Q2 2018 excl. IFRS 16	Currency translation adjustments	Growth	Underlying growth*	Q2 2019 excl. IFRS 16	IFRS 16 impact	Q2 2019
Divisional revenue	3,111	18	18	0.6%	3,147	-	3,147
Gross profit	741	-	63	8.5%	804	382	1,186
EBIT before special items	175	(1)	5	2.9%	179	62	241
Gross margin (%)	23.8				25.5		37.7
Operating margin (%)	5.6				5.7		7.7
Conversion ratio (%)	23.6				22.3		20.3

	YTD 2018 excl. IFRS 16	Currency translation adjustments	Growth	Underlying growth*	YTD 2019 excl. IFRS 16	IFRS 16 impact	YTD 2019
Divisional revenue	5,959	39	198	3.3%	6,196	-	6,196
Gross profit	1,440	2	126	8.7%	1,568	744	2,312
EBIT before special items	302	(1)	9	3.0%	310	124	434
Gross margin (%)	24.2				25.3		37.3
Operating margin (%)	5.1				5.0		7.0
Conversion ratio (%)	21.0				19.8		18.8

* Growth in constant currencies and before IFRS 16 impact

Interim financial statements

Income statement

(DKKm)	Q2 2019	Q2 2018 excl. IFRS 16	YTD 2019	YTD 2018 excl. IFRS 16
Revenue	20,079	19,491	40,058	37,871
Direct costs	14,794	15,041	29,659	29,301
Gross profit	5,285	4,450	10,399	8,570
Other external expenses	642	733	1,298	1,491
Staff costs	2,202	2,086	4,397	4,110
EBITDA before special items	2,441	1,631	4,704	2,969
Depreciation of right-of-use assets	626	10	1,258	17
Depreciation and amortisation of owned assets	184	172	361	347
EBIT before special items	1,631	1,449	3,085	2,605
Special items, costs	19	-	19	-
Financial income	25	206	47	136
Financial expenses, lease liabilities	91	4	180	7
Financial expenses, other	83	82	189	164
Profit before tax	1,463	1,569	2,744	2,570
Tax on profit for the period	314	382	632	614
Profit for the period	1,149	1,187	2,112	1,956
Profit for the period attributable to:				
Shareholders of DSV A/S	1,153	1,195	2,124	1,965
Non-controlling interests	(4)	(8)	(12)	(9)
Earnings per share of DKK 1 for the period	6.4	6.5	11.9	10.7
Diluted earnings per share of DKK 1 for the period	6.3	6.4	11.7	10.5

Statement of comprehensive income

(DKKm)	Q2 2019	Q2 2018 excl. IFRS 16	YTD 2019	YTD 2018 excl. IFRS 16
Profit for the period	1,149	1,187	2,112	1,956
Items that will be reclassified to income statement when certain conditions are met:				
Net exchange differences recognised in OCI	(93)	(44)	128	(146)
Fair value adjustments relating to hedging instruments	(10)	(9)	(7)	(20)
Fair value adjustments relating to hedging instruments transferred to financial expenses	(1)	1	-	1
Tax on items reclassified to income statement	2	(1)	2	-
Items that will not be reclassified to income statement:				
Actuarial gains/(losses)	(49)	19	(124)	(15)
Tax relating to items that will not be reclassified	12	(6)	30	1
Other comprehensive income, net of tax	(139)	(40)	29	(179)
Total comprehensive income	1,010	1,147	2,141	1,777
Total comprehensive income attributable to:				
Shareholders of DSV A/S	1,015	1,148	2,154	1,781
Non-controlling interests	(5)	(1)	(13)	(4)
Total	1,010	1,147	2,141	1,777

Cash flow statement

(DKKm)	YTD 2019	YTD 2018 excl. IFRS 16
EBITDA before special items	4,704	2,969
<i>Adjustments:</i>		
Share-based payments	55	43
Change in provisions	(111)	(118)
Change in working capital, etc.	(134)	(647)
Special items	(8)	-
Interest received	47	37
Interest paid	(211)	(126)
Corporation tax, paid	(651)	(459)
Cash flow from operating activities	3,691	1,699
Purchase of intangible assets	(148)	(221)
Purchase of property, plant and equipment	(389)	(332)
Disposal of intangible assets, property, plant and equipment	164	555
Acquisition and disposal of subsidiaries and activities	126	-
Change in other financial assets	(49)	(30)
Cash flow from investing activities	(296)	(28)
Free cash flow	3,395	1,671
Proceeds from borrowings	790	991
Repayment of borrowings	(1,630)	(1,192)
Interests paid on lease liabilities	(174)	-
Repayment of lease liabilities	(1,301)	-
Other financial liabilities incurred	(4)	(43)
<i>Shareholders:</i>		
Dividends distributed	(423)	(380)
Purchase of treasury shares	(923)	(1,449)
Sale of treasury shares	446	312
Other transactions with shareholders	20	13
Cash flow from financing activities	(3,199)	(1,748)
Cash flow for the period	196	(77)
Cash and cash equivalents 1 January	1,158	1,348
Cash flow for the period	196	(77)
Currency translation adjustments	30	(46)
Cash and cash equivalents end of period	1,384	1,225
The cash flow statement cannot be directly derived from the balance sheet and income statement.		
<i>Statement of adjusted free cash flow</i>		
Free cash flow	3,395	1,671
Net acquisition of subsidiaries and activities	(126)	-
Special items (restructuring costs)	8	-
Repayment of lease liabilities and interest (IFRS 16 impact reversed)	(1,475)	-
Adjusted free cash flow	1,802	1,671

Balance sheet - Assets

(DKKm)	30.06.2019	31.12.2018 excl. IFRS 16	30.06.2018 excl. IFRS 16
Intangible assets	16,795	16,742	16,614
Right-of-use assets	9,461	193	210
Property, plant and equipment	2,368	2,297	2,245
Other receivables	341	291	287
Deferred tax assets	1,178	851	1,003
Total non-current assets	30,143	20,374	20,359
Trade receivables	13,455	13,252	13,495
Contract assets	1,900	1,554	1,584
Inventories	1,147	718	753
Other receivables	1,628	1,662	1,755
Cash and cash equivalents	1,384	1,158	1,225
Assets held for sale	64	94	224
Total current assets	19,578	18,438	19,036
Total assets	49,721	38,812	39,395

Balance sheet – Equity and liabilities

(DKKm)	30.06.2019	31.12.2018 excl. IFRS 16	30.06.2018 excl. IFRS 16
Share capital	186	188	188
Reserves and retained earnings	15,363	14,373	15,022
DSV A/S shareholders' share of equity	15,549	14,561	15,210
Non-controlling interests	(61)	(29)	(31)
Total equity	15,488	14,532	15,179
Lease liabilities	7,709	132	122
Borrowings	5,742	6,461	5,733
Pensions and similar obligations	1,028	915	1,119
Provisions	601	627	607
Deferred tax liabilities	141	188	190
Total non-current liabilities	15,221	8,323	7,771
Lease liabilities	2,570	60	73
Borrowings	322	485	807
Trade payables	7,600	7,646	7,628
Accrued cost of services	3,048	2,813	2,794
Provisions	352	412	384
Other payables	4,757	4,087	4,398
Corporation tax	363	454	361
Total current liabilities	19,012	15,957	16,445
Total liabilities	34,233	24,280	24,216
Total equity and liabilities	49,721	38,812	39,395

Statement of changes in equity – 1 January - 30 June 2019

(DKKkm)	Share capital	Reserves	Retained earnings	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
Equity 1 January 2019 as previously reported	188	(704)	15,077	14,561	(29)	14,532
Impact of accounting policy change*	-	-	(593)	(593)	(16)	(609)
Equity 1 January 2019	188	(704)	14,484	13,968	(45)	13,923
Profit for the period	-	-	2,124	2,124	(12)	2,112
Other comprehensive income, net of tax	-	132	(102)	30	(1)	29
Total comprehensive income for the period	-	132	2,022	2,154	(13)	2,141
Transactions with owners:						
Share-based payments	-	-	55	55	-	55
Dividends distributed	-	-	(423)	(423)	(1)	(424)
Purchase of treasury shares	-	(2)	(921)	(923)	-	(923)
Sale of treasury shares	-	2	444	446	-	446
Capital reduction	(2)	2	-	-	-	-
Dividends on treasury shares	-	-	22	22	-	22
Other adjustments	-	-	(3)	(3)	(2)	(5)
Tax on transactions with owners	-	-	253	253	-	253
Total transactions with owners	(2)	2	(573)	(573)	(3)	(576)
Equity 30 June 2019	186	(570)	15,933	15,549	(61)	15,488

*Cumulative effect of applying IFRS 16 Leases - see Note 1 to the Interim Financial Statements

Statement of changes in equity – 1 January - 30 June 2018

(DKKkm)	Share capital	Reserves	Retained earnings	DSV A/S shareholders' share of equity	Non-controlling interests	Total equity
Equity on 1 January 2018	190	4,195	10,450	14,835	(26)	14,809
Profit for the period	-	-	1,965	1,965	(9)	1,956
Other comprehensive income, net of tax	-	(170)	(14)	(184)	5	(179)
Total comprehensive income for the period	-	(170)	1,951	1,781	(4)	1,777
Transactions with owners:						
Share-based payments	-	-	43	43	-	43
Dividends distributed	-	-	(380)	(380)	(1)	(381)
Purchase of treasury shares	-	(3)	(1,446)	(1,449)	-	(1,449)
Sale of treasury shares	-	2	310	312	-	312
Capital reduction	(2)	2	-	-	-	-
Dividends on treasury shares	-	-	14	14	-	14
Other adjustments	-	-	3	3	-	3
Tax on transactions with owners	-	-	51	51	-	51
Total transactions with owners	(2)	1	(1,405)	(1,406)	(1)	(1,407)
Equity on 30 June 2018	188	4,026	10,996	15,210	(31)	15,179

Notes

1 Accounting policies

The Interim Financial Report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and Danish disclosure requirements for listed companies.

Except as stated below, accounting policies applied in preparing the Interim Financial Report are consistent with those applied in preparing the 2018 Annual Report. The 2018 Annual Report provides a full description of DSV accounting policies.

Changes in accounting policies

DSV A/S has implemented the latest International Financial Reporting Standards (IFRS) and amendments effective as of 1 January 2019 as adopted by the European Union.

Of the standards and amendments implemented, only IFRS 16 Leases has had material impact on the Group's financial statements.

IFRS 16 Leases

IFRS 16 Leases was implemented 1 January 2019. Implementation of IFRS 16 had a material impact on DSV's financial statements as most contracts previously classified as off-balance operating leases under IAS 17 have now been capitalised, recognising right-of-use assets and lease liabilities similar to previous practices for finance leases.

Consequently, reported operating profits have increased, as previous operating lease expenses have been replaced by depreciation and interest expenses. However, the impact on profit for the period is neutral over time, but a timing effect does occur due to frontloading of interest expenses.

Reported cash flow from operating activities has increased, but is offset by an increased cash outflow from financing activities. Accordingly, total cash flow for the period is unchanged.

Application and practical expedients applied

IFRS 16 has been applied following the modified retrospective approach with the cumulative effect of applying the standard recognised in the opening balance of retained earnings.

Comparatives have not been restated and are presented in accordance with the previous IFRS standard on leases (IAS 17 and IFRIC 4) – as disclosed in the Annual Report 2018. Right-of-use assets and lease liabilities have been presented as separate line items in the balance sheet, which has led to minor restatements of comparative figures.

For existing leases classified as operating leases under IAS 17, lease liabilities have been measured at the present value of the remaining lease payments discounted using an appropriate incremental borrowing rate at 1 January 2019. Right-of-use assets have been measured as if IFRS 16 had been applied since the lease commencement date and discounted using an appropriate incremental borrowing rate on 1 January 2019.

The weighted average incremental borrowing rate applied at 1 January 2019 was 3.43% for assets classified as land and buildings and 2.57% for assets classified as other plant and operating equipment.

For existing leases classified as finance leases under IAS 17, the carrying amount of lease liabilities and right-of-use assets on 1 January 2019 equals the carrying amount of lease liabilities and lease assets on 31 December 2018.

The following practical expedients have been applied in implementing the standard:

- Existing assessments of whether a contract contains a lease in accordance with IAS 17 and IFRIC 4 have been maintained. No reassessment of existing lease contracts has been made at the commencement date.
- Contracts not previously determined to contain a lease in accordance with IAS 17 and IFRIC 4 have not been reassessed at the commencement date.
- A single discount rate has been applied to appropriate groups of leases with similar characteristics.
- Existing assessments of whether leases are onerous have been applied.

The following practical expedients have not been applied:

- Allowing non-recognition of right-of-use assets and related lease liabilities for existing leases ending within 12 months of 1 January 2019.
- Exclusion of initial direct costs from the right-of-use asset measurement.
- The use of hindsight.

Implementation impact

Implementation of the standard has impacted the 2019 opening balance as outlined below:

(DKKm)	31 December 2018 (IAS 17)	Increase (+) Decrease (-)	Change
<i>Implementation impact :</i>			
Right-of-use assets	193	+	9,991
Deferred tax assets	851	+	138
Reserves and retained earnings	14,373	-	(593)
Lease liabilities	192	+	10,704
Other receivables	1,662	-	(26)
Other payables	4,087	-	(8)
<i>Reclassifications of financial lease assets (IAS 17):</i>			
Property, plant and equipment	2,490	-	193
Borrowings	7,138	-	192

Recognised right-of-use assets have been classified within the following asset categories:

(DKKm)	1 January 2019
Land and buildings	8,893
Other plant and operating equipment	1,098
Total right-of-use assets recognised	9,991

Differences between the operating lease commitments on 31 December 2018, disclosed in the 2018 Annual Report, and lease liabilities, recognised in the opening balance on 1 January 2019 in accordance with IFRS 16, specify as follows:

(DKKm)	
Operating lease commitments 31 December 2018	12,020
Discounted using incremental borrowing rate at 1 January 2019	(1,135)
Finance lease liabilities recognised at 31 December 2018	223
Short-term and low-value leases recognised as an expense on a straight line basis	(404)
Lease liabilities recognised 1 January 2019	10,704
<i>Current /non-current classification:</i>	
Non-current liabilities	8,135
Current liabilities	2,569

2 Adjusted financial ratios

Due to the impact of IFRS 16, the following financial ratios for H1 2019 have been adjusted on a pro forma basis:

ROIC before tax: DKK 9,500 million have been added to invested capital at the beginning of the period.

Gearing ratio: EBITDA for 6 months of 2018 has been raised by DKK 1,430 million (corresponding to a full-year pro forma EBITDA impact of DKK 2,860 million).

Other financial highlights are presented in line with the definition on page 81 of the 2018 Annual Report.

3 Management judgements

In preparing the Interim Financial Statements, Management makes various accounting estimates and judgements that affect the reported amounts and disclosures in the statements and in the notes to the financial statements. These are based on professional experience, historical data and other factors available to Management.

By their nature, management judgements and estimates include a degree of uncertainty, and actual results may therefore deviate from the judgements and estimates on the reporting date.

Judgements and estimates are continuously evaluated, and the effects of any changes are recognised in the relevant period.

4 New accounting regulations

The IASB has issued a number of new standards and amendments not yet in effect or endorsed by the EU and therefore not relevant for the preparation of the 2019 Interim Financial Statements.

None of these are currently expected to carry any significant impact on the DSV Financial Statements when implemented.

5 Segment information

(DKKm)	Air & Sea		Road		Solutions		Other activities, non-allocated items and eliminations		Total	
	YTD 2019	YTD 2018	YTD 2019	YTD 2018	YTD 2019	YTD 2018	YTD 2019	YTD 2018	YTD 2019	YTD 2018
		excl. IFRS16		excl. IFRS16		excl. IFRS16		excl. IFRS16		
Condensed income statement										
Revenue	18,781	17,216	15,182	14,796	6,027	5,799	68	60	40,058	37,871
Intercompany revenue	312	293	753	742	169	160	(1,234)	(1,195)	-	-
Divisional revenue	19,093	17,509	15,935	15,538	6,196	5,959	(1,166)	(1,135)	40,058	37,871
Direct costs	14,140	12,977	12,839	12,914	3,884	4,519	(1,204)	(1,109)	29,659	29,301
Gross profit	4,953	4,532	3,096	2,624	2,312	1,440	38	(26)	10,399	8,570
Other external expenses	810	942	532	622	518	461	(562)	(534)	1,298	1,491
Staff costs	1,878	1,763	1,444	1,373	610	564	465	410	4,397	4,110
Operating profit before depreciation, amortisation and special items	2,265	1,827	1,120	629	1,184	415	135	98	4,704	2,969
Depreciation of right-of-use assets	143	3	431	7	649	7	35	-	1,258	17
Depreciation and amortisation of owned assets	31	41	53	59	101	106	176	141	361	347
Operating profit before special items	2,091	1,783	636	563	434	302	(76)	(43)	3,085	2,605
Condensed balance sheet										
Total assets	24,004	21,184	18,348	16,094	12,782	7,664	(5,413)	(5,547)	49,721	39,395
Total liabilities	26,017	24,247	13,721	10,116	11,671	7,024	(17,176)	(17,171)	34,233	24,216

6 Revenue

Sale of services and geographical segmentation are specified in the table below:

(DKKm)	EMEA		Americas		APAC		Eliminations		Total	
	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018	Q2 2019	Q2 2018
		excl. IFRS16		excl. IFRS16		excl. IFRS16		excl. IFRS16		
Air services	2,473	2,650	1,845	1,659	1,504	1,602	(1,258)	(1,301)	4,564	4,610
Sea services	3,636	3,179	1,693	1,446	1,199	1,127	(1,410)	(1,267)	5,118	4,485
Road services	7,973	7,912	636	744	-	-	(776)	(794)	7,833	7,862
Solutions services	2,325	2,452	575	469	286	237	(39)	(47)	3,147	3,111
Divisional revenue	16,407	16,193	4,749	4,318	2,989	2,966			20,662	20,068
Non-allocated items and eliminations									(583)	(577)
Total revenue									20,079	19,491

(DKKm)	EMEA		Americas		APAC		Eliminations		Total	
	YTD 2019	YTD 2018	YTD 2019	YTD 2018	YTD 2019	YTD 2018	YTD 2019	YTD 2018	YTD 2019	YTD 2018
		excl. IFRS16		excl. IFRS16		excl. IFRS16		excl. IFRS16		
Air services	4,954	5,131	3,764	3,111	2,949	3,021	(2,506)	(2,447)	9,161	8,816
Sea services	7,115	6,321	3,245	2,642	2,288	2,143	(2,716)	(2,413)	9,932	8,693
Road services	16,096	15,638	1,359	1,423	-	-	(1,520)	(1,523)	15,935	15,538
Solutions services	4,615	4,681	1,114	914	543	460	(76)	(96)	6,196	5,959
Divisional revenue	32,780	31,771	9,482	8,090	5,780	5,624			41,224	39,006
Non-allocated items and eliminations									(1,166)	(1,135)
Total revenue									40,058	37,871

7 Leases

Accounting policies

Whether a contract contains a lease is assessed at contract inception. For identified leases a right-of-use asset and corresponding lease liability are recognised on the lease commencement date.

Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related costs, including dismantling and restoration costs. The lease liability is measured at the present value of lease payments discounted using the interest rate implicit in the lease contract. In cases where the implicit interest rate cannot be determined, an appropriate incremental DSV borrowing rate is used instead.

At subsequent measurement, the right-of-use asset is measured less accumulated depreciations and impairment losses and adjusted for any remeasurements of the lease liability.

Depreciations are done following the straight-line method over the lease term or the useful life of the right-of-use asset, whichever is shortest. The lease liability is measured at amortised cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract.

Right-of-use assets and lease liabilities are not recognised for low value lease assets or leases with a lease term of 12 months or less. These are recognised as an expense on a straight-line basis over the term of the lease. Any service elements separable from the lease contract are also accounted for following same principle.

Leases 2019

Right-of-use assets classified as land and buildings mainly relate to leases of warehouses, terminals and office buildings, whereas assets recognised as other plant and operating equipment mainly relate to leases of trailers, trucks, company cars, IT hardware and other office equipment.

Land and buildings leases normally have a lease term of up to 10 years, whereas leases of other plant and operating equipment normally have a lease term of up to 5 years.

Classification of right-of-use assets:

(DKKm)	H1 2019		Total
	Land & Buildings	Other plant and operating equipment	
Opening balance 1 January 2019	14	179	193
Impact of accounting policy change	8,893	1,098	9,991
Addition for the period	624	104	728
Disposals for the period	(129)	(48)	(177)
Depreciations for the period	(991)	(267)	(1,258)
Currency translation adjustments	(18)	2	(16)
Carrying amount at 30 June 2019	8,393	1,068	9,461

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today considered and adopted the Interim Financial Report of DSV A/S for the six-month period ended 30 June 2019.

The Interim Financial Report, which has not been audited or reviewed by the Company auditor, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and additional requirements in accordance with the Danish Financial Statements Act.

In our opinion, the Interim Financial Statements give a true and fair view of the DSV Group's assets, equity, liabilities and financial position on 30 June 2019 and of the results of the Group's activities and the cash flow for the six-month period ended 30 June 2019.

We also find that the Management's commentary provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period, the general financial position of the Group and a description of the major risks and elements of uncertainty faced by the Group. Over and above the disclosures in the interim financial report, no changes in the Group's most significant risks and uncertainties have occurred relative to the disclosures in the annual report for 2018.

Hedehusene, 31 July 2019

Executive Board:

Jens Bjørn Andersen
CEO

Jens H. Lund
CFO

Board of Directors:

Kurt K. Larsen
Chairman

Thomas Plenborg
Deputy Chairman

Annette Sadolin

Birgit W. Nørgaard

Robert S. Kledal

Jørgen Møller

Marie-Louise Aamund