

DSV Panalpina A/S Investor presentation



DSV

Forward-looking statements

This announcement contains forward-looking statements that reflect DSV's current expectations and views of future events. Some of these forward-looking statements can be identified by terms and phrases such as "estimate," "expect," "target," "plan," "project," "will" and similar expressions. These forward-looking statements include statements relating to: the expected characteristics of the combined company; expected ownership of the combined company by Agility; expected financial results and characteristics of the combined company; expected timing of the launch and closing of the proposed acquisition and satisfaction of conditions precedent, including regulatory conditions; and the expected benefits of the proposed acquisition, including related synergies. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such statements. These forward-looking statements are based on our beliefs, assumptions, and expectations of future performance, considering the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. Risks and uncertainties include: the ability of DSV to integrate Agility GIL into DSV's operations; the performance of the global economy; the capacity for growth in internet and technology usage; the consolidation and convergence of the industry, its suppliers and its customers; the effect of changes in governmental regulations; disruption from the proposed transaction making it more difficult to maintain relationships with customers, employees or suppliers; and the impact on the combined company (after giving effect to the proposed acquisition) of any of the foregoing risks or forward-looking statements, as well as other risk factors listed from time to time in public disclosures.

The forward-looking statements should be read in conjunction with the other cautionary statements that are included elsewhere, including the risk factors included in any public disclosures of DSV or Agility. Any forward-looking statements made in this announcement are qualified in their entirety by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by us will be realised or, even if substantially realised, that they will have the expected consequences to, or effects on, us or our business or operations. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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**Completion of
acquisition of
Agility GIL**

2

**Half-year 2021
results**

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Appendix



GROWING TOGETHER

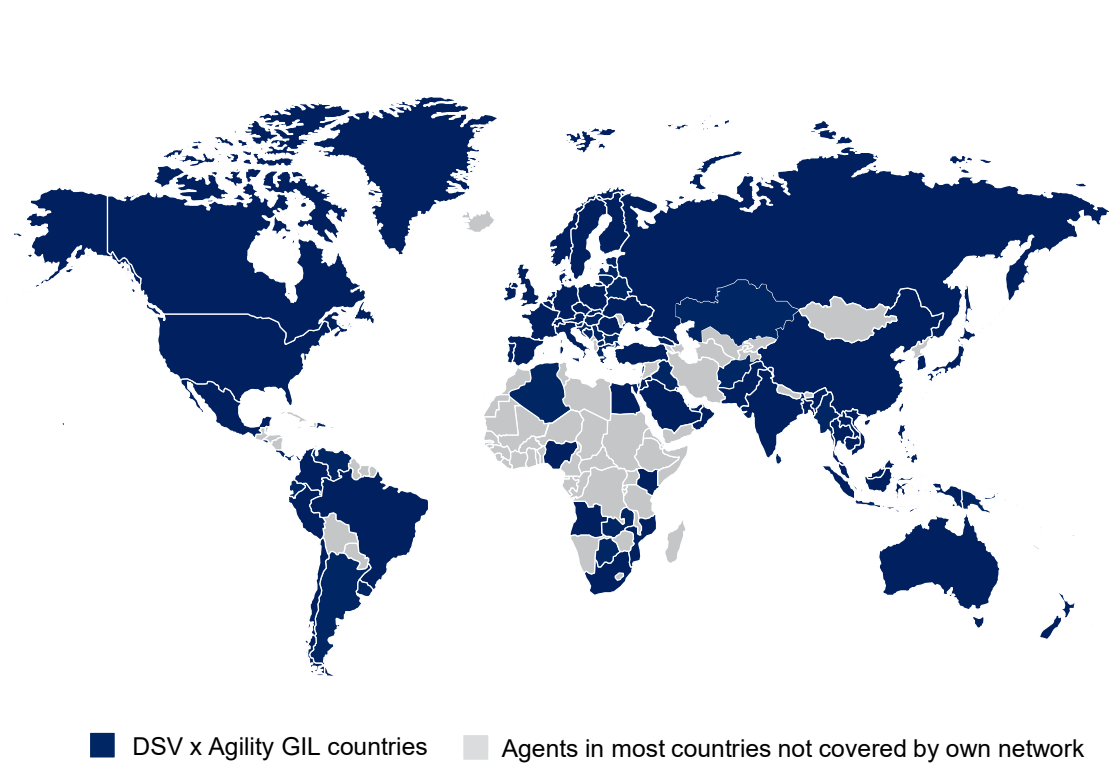
DSV × Agility GL

Completion of acquisition of Agility GL



DSV Panalpina and Agility GIL

Creating an industry leader in logistics



Top-three player in freight forwarding

- We create a global top-three player in freight-forwarding with significantly strengthened market position in Air & Sea.



Expanding our global network

- Agility GIL has strong presence in APAC and Middle East which is a strong complement to DSV Panalpina's existing network.
- Operations in more than 90 countries.



Top-performing company

- Industry leading margins across divisions.
- Strong integration track record.

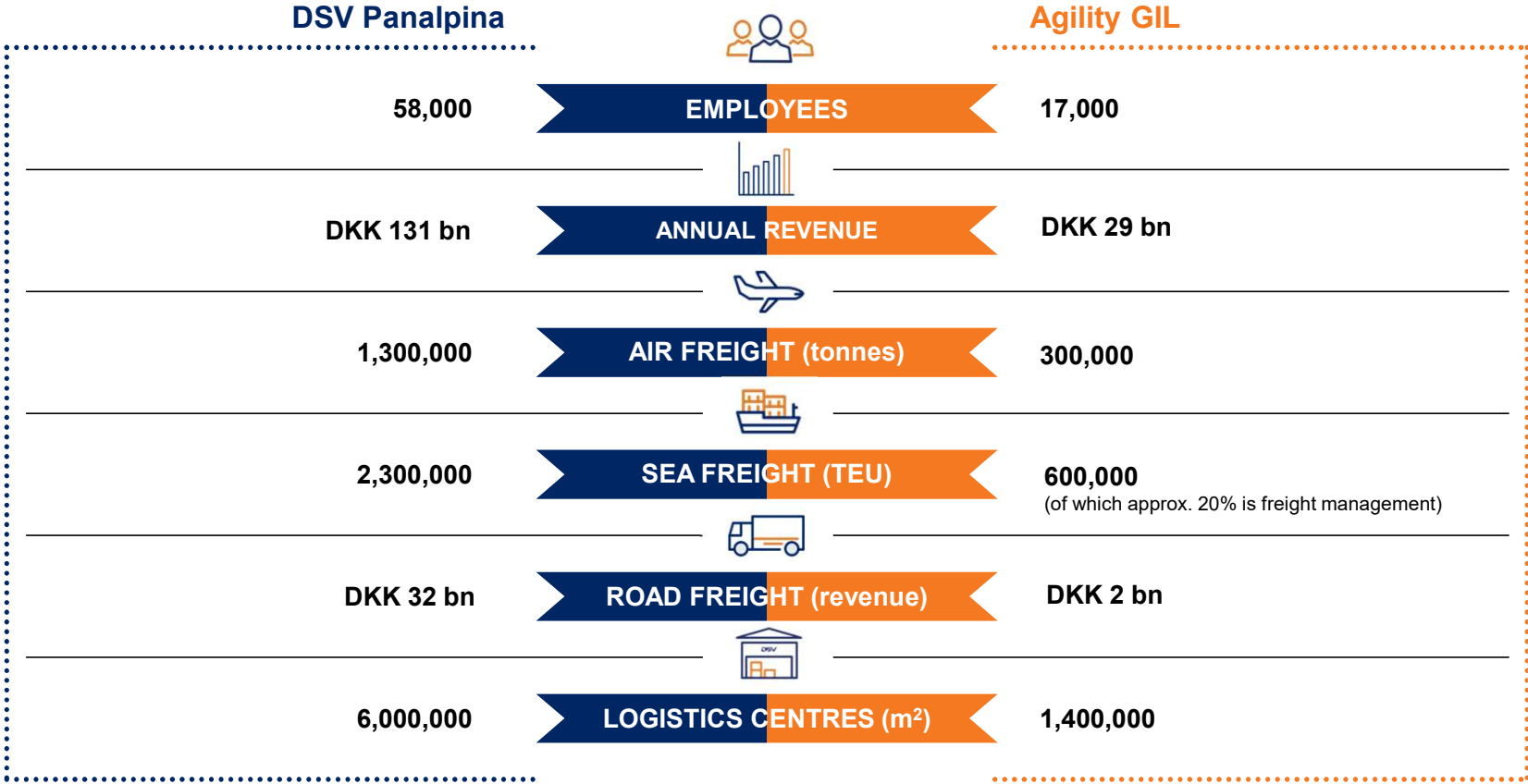


75,000 dedicated employees at your service

- Skilled logistics experts supported by strong and scalable IT systems.

Uniting the global networks

DSV Panalpina and Agility GIL



Notes
 Based on last 12 months, as per 30 June 2021.
 For illustrative purposes only.

Completion of the transaction



Completion

Agility GIL shareholders receive **19.3 million DSV shares** (with a nominal value of DKK 1 per share) as consideration for 100% of Agility GIL.



New large shareholder

Agility is a new **large shareholder** in DSV Panalpina (8%).



Enterprise value

Enterprise Value of the transaction is approximately **DKK 30.2 bn** (USD 4.8 bn).

Transaction multiples:

21.5x EV/LTM adj. EBIT

1.0x EV/LTM sales.

(LTM: 1 July 2020 - 30 June 2021)



Planned EGM in September

- Election of new member of the Board of Directors, nominated by Agility.
- Renewal of the existing five-year authorisation to increase share capital by up to 20%.
- Name change to DSV A/S.
- Amendment of the Remuneration Policy by inclusion of ESG criteria.

Expected EBIT contribution from Agility GIL



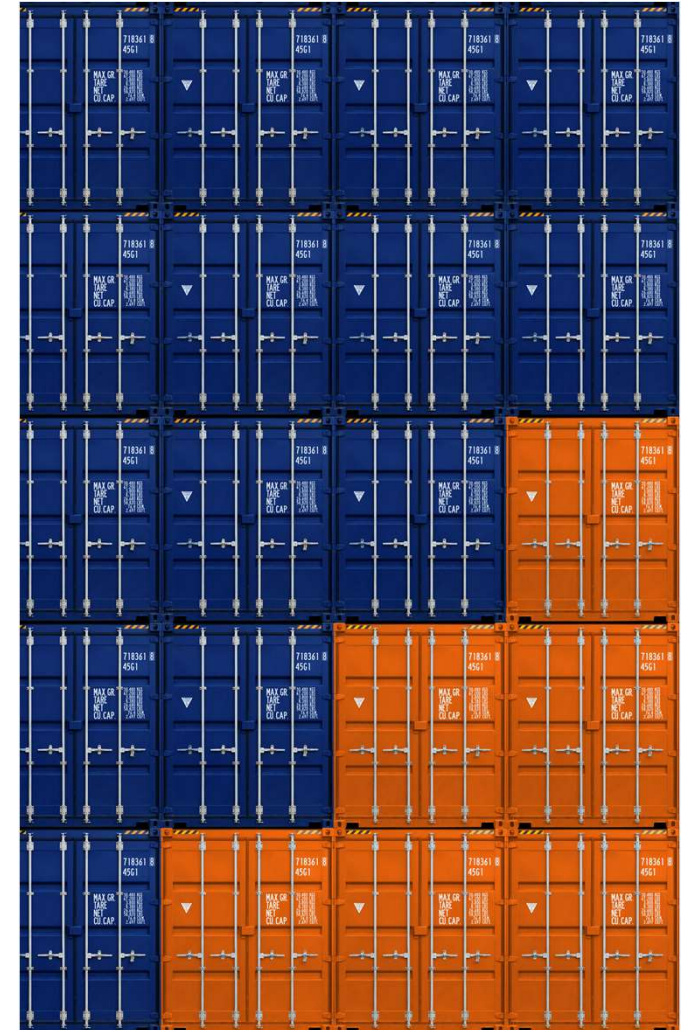
Expected EBIT before special items contribution

- Agility GIL will be included in the consolidated financial results of DSV Panalpina as from 16 August 2021.
- Once fully integrated, it is expected that Agility GIL will contribute approx. **DKK 2,800 million** to the combined EBIT before special items on an annual basis.
- Full-year effect expected **from 2023** and includes synergies from the consolidation of operations, logistics facilities, administration and IT infrastructure.
- The transaction is expected to be EPS accretive (diluted and adjusted) by 2022.

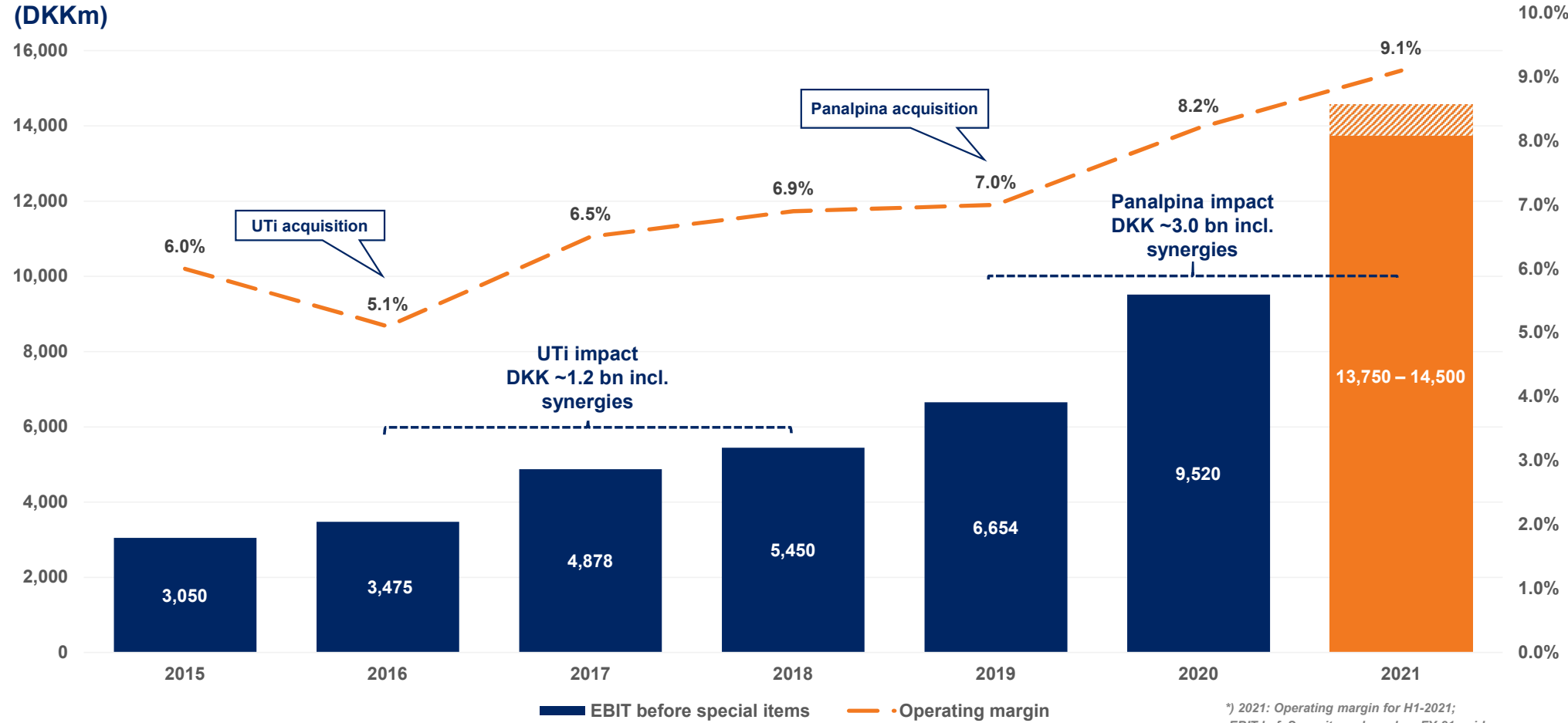


Transaction and integration costs

- Expected transaction and integrations costs will be communicated in connection with the release of DSV Panalpina's **Q3 2021 interim financial report** on 26 October 2021.



The M&A track record



Outlook for 2021 raised

(DKKm)	Updated outlook 2021	Previous outlook 2021	Actual 2020
EBIT before special items	13,750-14,500	12,500-13,000	9,520
Effective tax rate	23.0%	23.0%	24.3%

Main assumptions

- Approximately DKK 750 million of the upgrade is related to Agility GIL, and the rest is related to the performance of the existing DSV business.
- The current situation in the transport markets with strong demand, tight capacity and high rates will most likely continue for the remainder of 2021.
- We expect yields in Air & Sea will decline compared to the levels reported for H1-21, but this is not expected to materialise until late in 2021.
- Currency exchange rates will remain at current level.

Next steps

Expected timeline



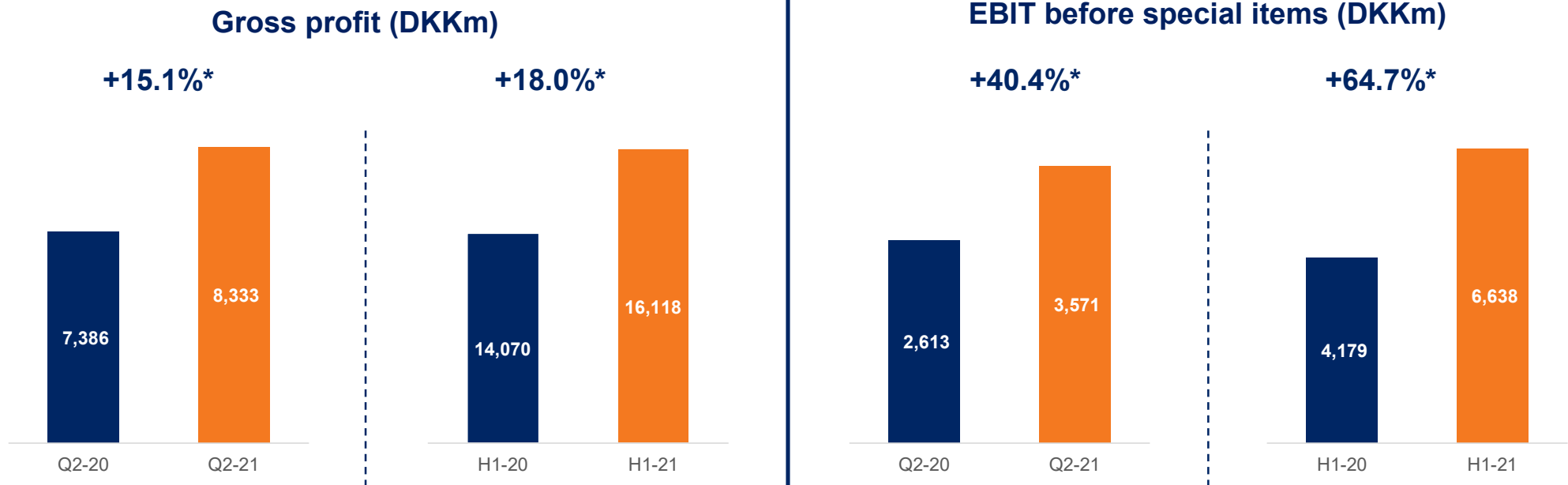
HALF-YEAR 2021 RESULTS



DSV

Highlights H1 2021

- Strong financial results driven by all three divisions.
- 2021 EBIT guidance upgraded after acquiring Agility GIL to **DKK 13,750 – 14,500 million** (previously DKK 12,500 – 13,000 million).
- New **DKK 4,000 million** share buyback programme initiated.



*) Growth rates are in constant currencies.

Air & Sea

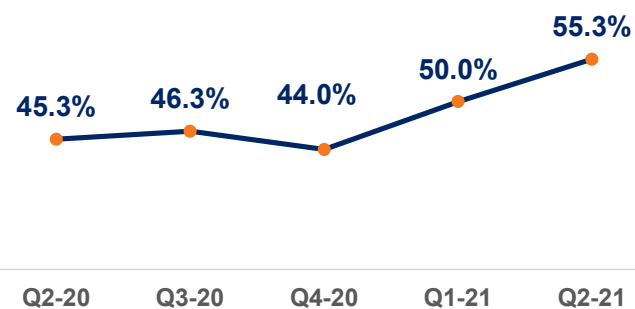
(DKKm)	Q2 2021	Q2 2020	Growth*	H1 2021	H1 2020	Growth*
Gross profit 	2,897	3,015	(1.2)%	5,659	5,168	13.9%
Gross profit 	2,245	1,648	41.7%	4,271	3,370	32.6%
Total gross profit	5,142	4,663	13.9%	9,930	8,538	21.3%
EBIT	2,843	2,112	39.5%	5,236	3,242	69.0%

*) Growth rates are in constant currencies and including M&A impact.

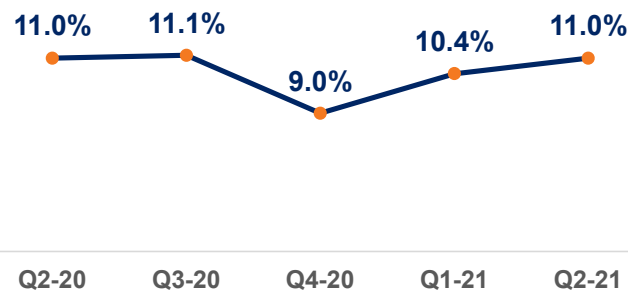
Management commentary

- Double-digit volume growth in Q2-21 and strong results in extraordinary market conditions.
- Global supply chains continue to be impacted by imbalances and capacity issues – we work hard to find the right solutions for our customers.
- Conversion ratio at all-time high reflecting the skills of our teams and scalability of the systems.
- Development in gross profit from air freight in Q2-21 must be seen in light of the surge in demand for high yielding air freight goods in Q2-20.

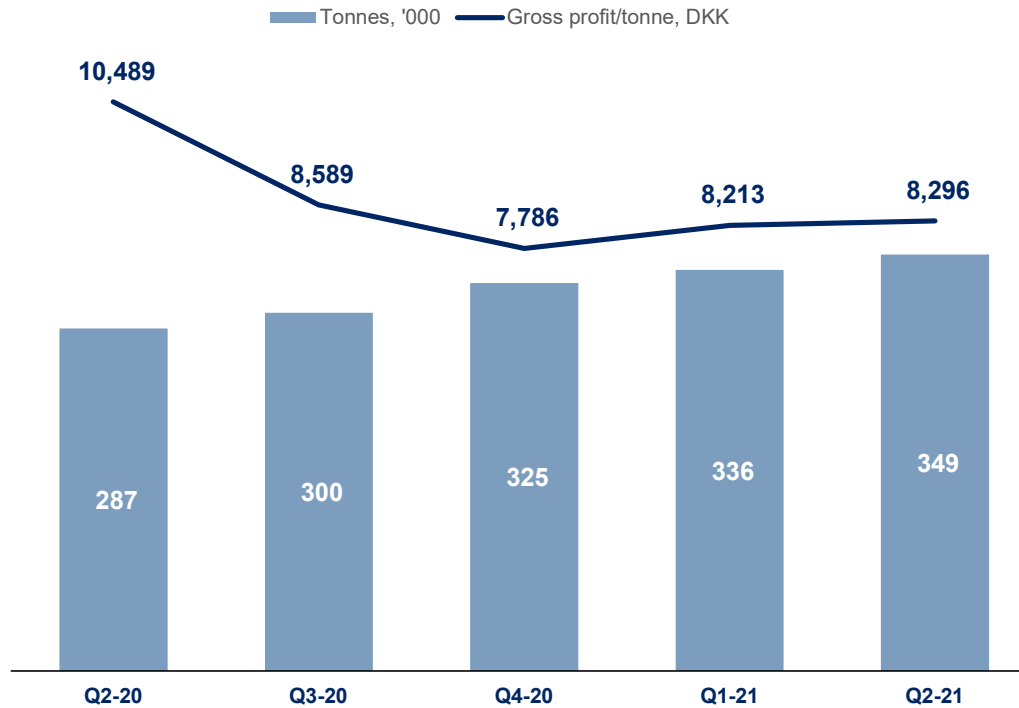
Conversion ratio



Operating margin



Air freight Q2 2021



Volume growth air

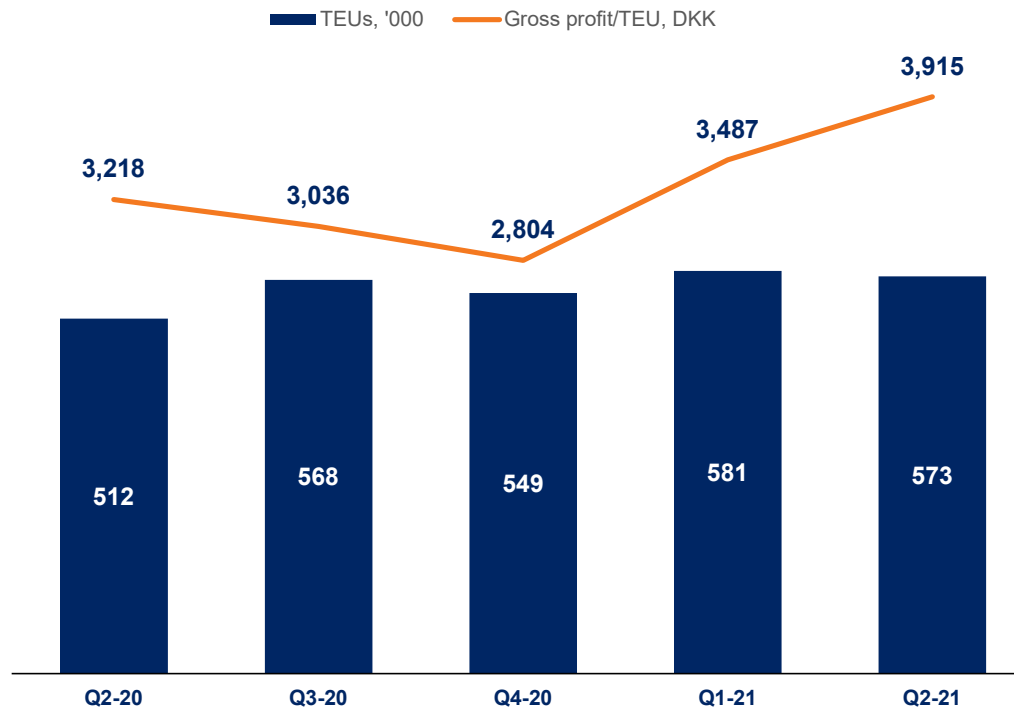
	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21
DSV (including M&A)*	69%	9%	(21%)	(2%)	26%
Market estimate	(25-30%)	(14-17%)	(8-10%)	5-7%	25-30%

*) Q4 2020 is the first quarter with full impact of the Panalpina acquisition on comparative figures.
Air freight growth for the period Q3-20 to Q2-21 is adjusted for discontinued business (Airflo – perishables)

Management commentary

- Acceleration of growth in Q2-21, both for the market and for DSV. Comparisons impacted by COVID-19 slow-down.
- With 26% volume growth in Q2-21 we are in line with the global market growth.
- Growth was driven by export from APAC and Americas, whereas EMEA exports were flat year on year.
- Yields continue to be impacted by market situation, but not to the same extent as 2020.
- Return of long-haul belly capacity will only happen gradually during 2022-24.

Sea freight Q2 2021



Volume growth sea




	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21
DSV (including M&A)*	31%	9%	(14%)	1%	12%
Market estimate	(15-20%)	(0-3%)	3-5%	5-7%	10-15%

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

Management commentary

- DSV's volumes increased by 12% compared to Q2 2020 and we estimate that we have gained market share on our main markets.
- Volume growth was mainly driven by APAC export.
- Port congestion and lack of equipment/capacity continue to create challenges and is pushing freight rates to record-high levels. The current market conditions are likely to last until Chinese New Year 2022.
- Record-high yield level in Q2-21. We expect yields will gradually decline.

Road

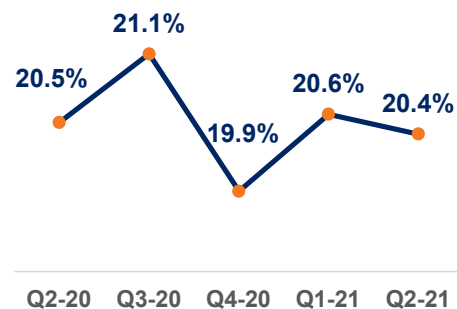
(DKKm)		Q2 2021	Q2 2020	Growth*	H1 2021	H1 2020	Growth*
Revenue		8,663	6,987	23.4%	16,719	14,908	12.7%
Gross profit		1,768	1,431	22.9%	3,425	2,966	15.9%
EBIT		476	263	82.4%	879	522	69.7%

*) Growth rates are in constant currencies and including M&A impact.

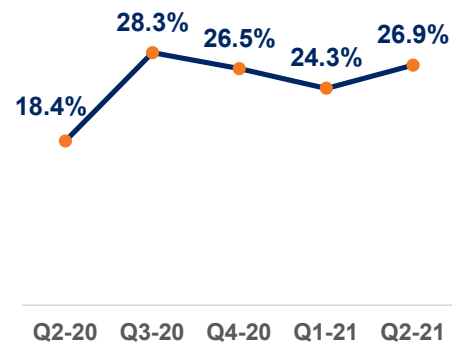
Management commentary

- EBIT growth of 82.4% for the quarter driven by gross profit growth and improved conversion ratio.
- Improved performance across all regions with highest growth rates in Southern Europe and South Africa.
- Growth across most industries, especially in B2C cargo.
- High activity levels are starting to impact the capacity situation and rates are increasing for road freight in Europe.
- Globeflight in South Africa included from the beginning of May.

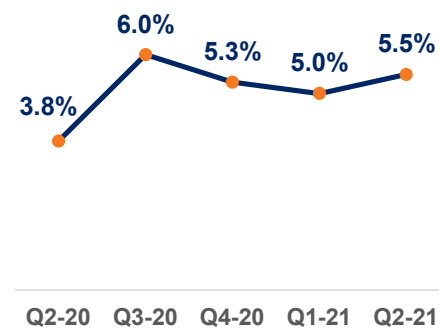
Gross margin




Conversion ratio



Operating margin



Solutions

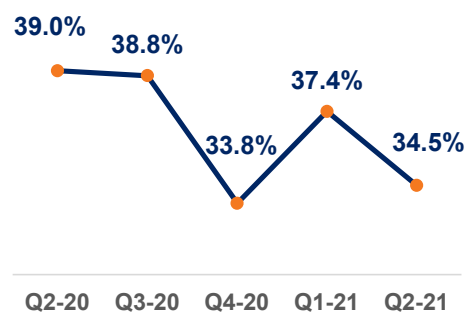
(DKKm)		Q2 2021	Q2 2020	Growth*	H1 2021	H1 2020	Growth*
Revenue		3,997	3,256	23.5%	7,606	6,697	16.2%
Gross profit		1,377	1,271	8.6%	2,725	2,527	9.9%
EBIT		278	234	15.8%	541	393	37.0%

*) Growth rates are in constant currencies and including M&A impact.

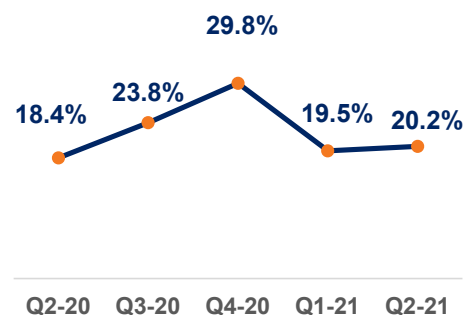
Management commentary

- EBIT growth of 15.8% for Q2-21 driven by increase in gross profit growth and higher conversion ratio.
- Revenue growth driven by COVID-19 recovery and acquisition of Prime Cargo in January 2021.
- Gross margin for Q2-21 was negatively impacted by costs related to customer implementations.
- We see good momentum and growth across all industries.

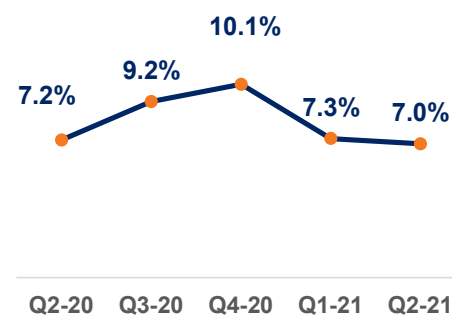
Gross margin



Conversion ratio



Operating margin



P&L H1 2021

(DKK M)	Q2 2021	Q2 2020	Growth*	H1 2021	H1 2020	Growth*
Headlines						
Revenue	37,831	28,782	34.4%	71,447	56,091	31.5%
Gross profit	8,333	7,386	15.1%	16,118	14,070	18.0%
EBIT before special items	3,571	2,613	40.4%	6,638	4,179	64.7%
Profit for the period	2,527	1,390		4,856	1,721	
P&L items						
Cost base (staff, other ext., depreciations)	4,762	4,773		9,480	9,891	
Special items, costs	-	515		-	1,026	
Financial items, FX adjustments	76	80		(82)	487	
Financial items, other	177	142		356	332	
KPIs						
Gross margin (%)	22.0	25.7		22.6	25.1	
Operating margin (%)	9.4	9.1		9.3	7.5	
Conversion ratio (%)	42.9	35.4		41.2	29.7	
Effective tax rate (%)	23.8	25.9		23.7	26.3	
Employees				59,871	53,399	
Diluted adjusted EPS 12 months				37.1	20.8	78.4%

*) Growth rates are in constant currencies.

Management commentary

- Revenue growth driven by higher activity and high freight rates.
- Strong growth in gross profit.
- Conversion ratio at record level, confirming the scalability of our systems and organisation.
- Financial costs and tax at expected level.
- Increase in number of employees is mainly related to blue-collar employees (+5,500 FTEs), due to general activity increase and M&A.

Cash flow H1 2021

(DKKm)	H1 2021	H1 2020	Variance
EBITDA before special items	8,561	6,270	2,291
Change in working capital	(2,509)	(227)	(2,282)
Tax, interest, change in provisions, etc.	(1,236)	(706)	(530)
Special items	(325)	(964)	639
Cash flow from operating activities	4,491	4,373	118
Cash flow from investing activities	(711)	(417)	(294)
Free cash flow	3,780	3,956	(176)
Statement of adjusted free cash flow			
Free cash flow	3,780	3,956	
Acquisition of subsidiaries and activities	193	-	
Special items (restructuring costs)	325	964	
Repayment of lease liabilities (IFRS 16 impact reversed)	(1,481)	(1,564)	
Adjusted free cash flow	2,817	3,356	(539)
KPIs			
Net working capital (NWC)	5,144	3,367	
NWC in % of revenue	3.9%	3.0%	
Net interest-bearing debt (NIBD)	23,934	18,874	
Gearing ratio (NIBD/EBITDA before special items)	1.5	1.6	
ROIC before tax	17.8%	16.0%	
ROIC before tax (excl. goodwill and customer relationships)	66.9%	49.4%	

Management commentary

- Cash flow from operating activities is positively affected by higher EBITDA, but offset by an increase in NWC.
- NWC was impacted by higher activity across all divisions, but also by changes in activity mix as Air & Sea becomes a larger part of the Group.
- Temporary NWC increase of DKK 900 million due to a property development. The facility will be divested in Q4 2021. Adjusted for this, the underlying NWC would be 3.2% of full-year revenue.
- New EUR 600 million 12-year Eurobond issued in July.

Share buyback and dividend

Management commentary

- 7.2 million shares bought back in H1-21 at an average price of DKK 1,192.
- New share buyback programme of DKK 4.0 billion running until 25 October 2021.
- Share capital reduction of 6.0 million shares in 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	-	2,603	1,397	-	4,000
Share buyback – 4.0 billion (estimated quarterly split)			2,700	1,300	4,000
Total announced allocations in 2021	5,735	3,788	4,097	1,300	14,920

Appendix



Working together to support the entire supply chain

+75,000 people in more than 90 countries at your service

Third-party logistics services (3PL)

Air & Sea



- Access to all markets through our global network
- Strategic partnerships with leading carriers and airlines
- FCL/LCL and project transports
- Air Charter Network

Road



- Road freight services in Europe, North America and South Africa
- Groupage and LTL/FTL services
- Specialised services within temperature-controlled transports, hazardous cargo, etc.

Solutions



- Contract logistics services worldwide
- Solutions for e-commerce
- Automated warehouse solutions
- Pharma warehouses

4PL services

Lead Logistics



- Enabling intelligent supply chains
- Planning and control
- Procurement and provider management
- Execution management and support
- Freight audit and pay

DSV XPress • DSV Purchase Order Management • DSV Supply Chain Innovation • DSV Insurance

Our strategic focus areas

We want to be a leading freight forwarder targeting extensive growth



Customers

We offer our customers global and competitive transport and logistics services of a consistent, high quality.

Growth

We actively pursue profitable growth balanced between a solid above market organic growth and an active acquisition approach.

Operational excellence

Operational excellence in our business processes is crucial in order to operate with the highest productivity, enabling us to be competitive and deliver timely and high-quality services to our customers.

People

We strive to attract, motivate and retain talented people by offering responsibility, empowerment and growth opportunities. We treasure sound business acumen and work together as a global family to drive the business forward.

Focus on customer needs

Industry-specific expertise and solutions



Automotive



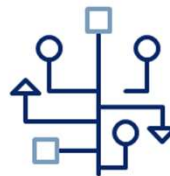
Industrial



Retail & Fashion



Healthcare



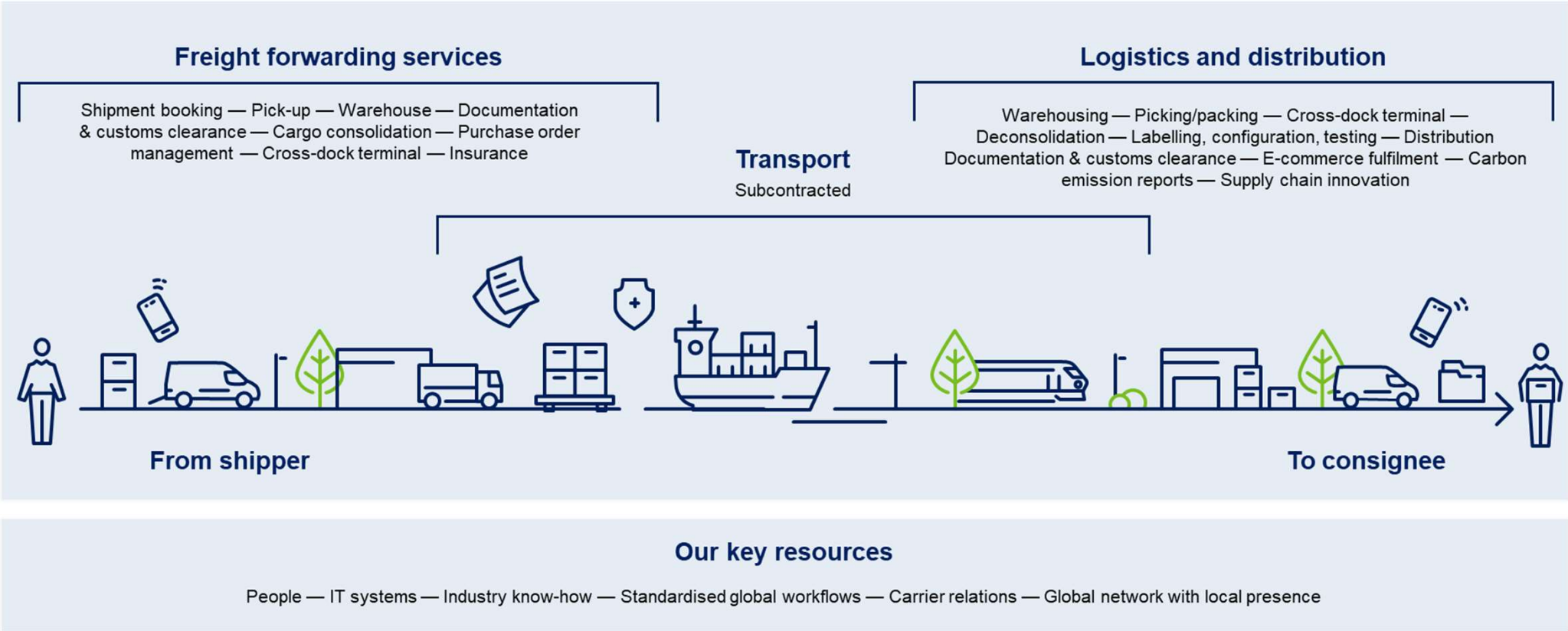
Technology



Renewable Energy

Creating value in the supply chain

From A to B and much more



Market position

One of the industry leaders

3rd
Air freight



3rd
Sea freight



3rd
Road freight (Europe)



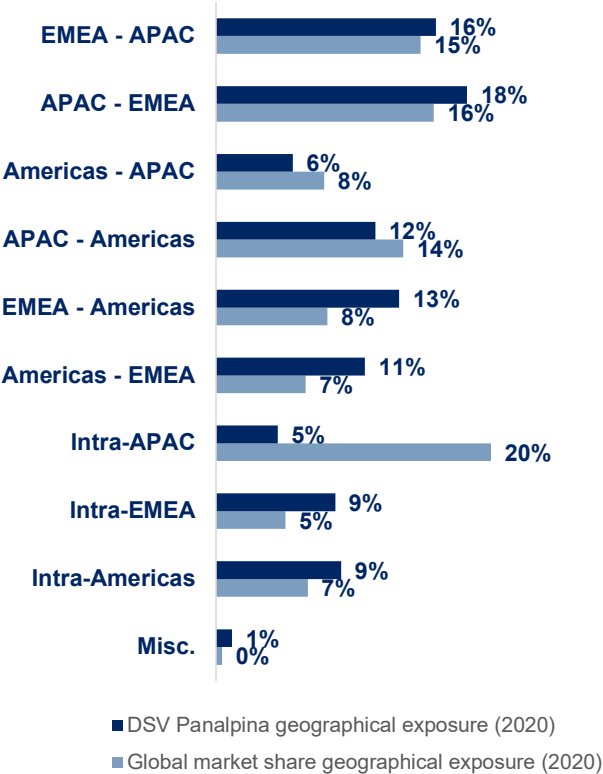
10th
Logistics solutions



DSV trade lane exposure (excl. Agility GIL)

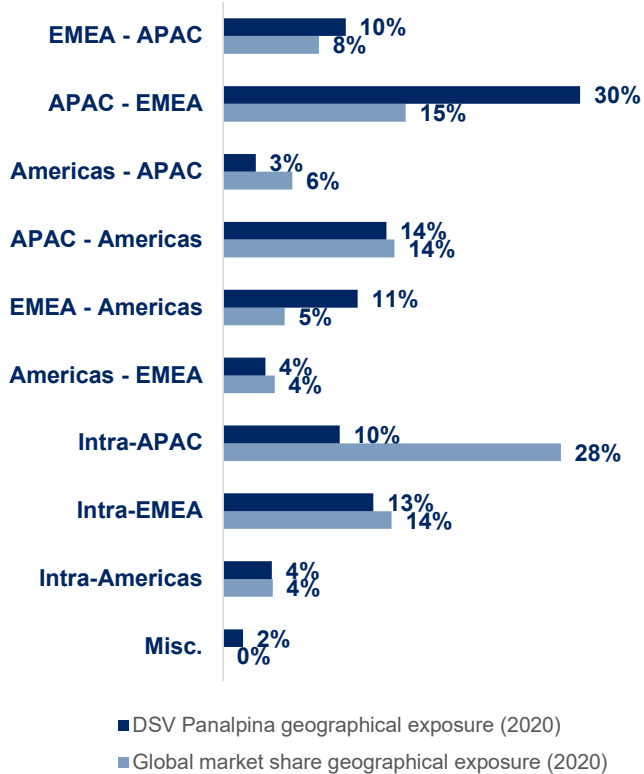
Geographical volume exposure

Air freight



Source: Seabury




Sea freight



Source: Container Trade Statistics

2025 financial targets

Aiming for 40% conversion ratio for the Group

	FY 2020 actual	Q3-20 to Q2-21 LTM	2025 targets
DSV Panalpina Group			
Conversion ratio	33.4%	39.2%	>40.0%
ROIC (before tax)	14.3%	17.8%	>20.0%
Divisional conversion ratios			
Air & Sea 	41.6%	49.3%	>47.5%
Road 	22.6%	26.5%	>30.0%
Solutions 	21.6%	23.5%	>30.0%
	Excluding FY impact of DKK 1.2 billion synergies	Impacted positively by extraordinary market conditions in the logistics market	

- Assumptions for the five-year period**
- Stable global economic development with annual GDP growth around 3%.
 - Transport market growth in line with GDP.
 - We expect to gain market share in all divisions.
 - Targets are based on organic growth, excluding the potential impact from large acquisitions.
 - CAPEX around 0.75% of revenue.
 - NWC between 2-3% of net revenue, measured at year end.
 - Effective tax rate of approx. 23%.
 - Gearing ratio target: NIBD below 2.0x EBITDA before special items.

Conversion ratio: EBIT before special items in % of gross profit.

Strategic focus areas



Air & Sea

- 1** Market share gains. We aim to capitalise on the new, strong market position after the acquisition of Panalpina.
- 2** Scalability of IT infrastructure and further standardisation of workflows.
- 3** Further digital customer interaction – myDSV, real-time information, purchase order management.



Road

- 1** Further digital customer interaction – myDSV, real-time information, purchase order management, Quote Tool.
- 2** Implementation of Road Way Forward project.
- 3** Development of network and services.



Solutions

- 1** Consolidation of physical infrastructure – move towards multi-client facilities.
- 2** Consolidation of digital infrastructure – one Warehouse Management System.
- 3** Automation of warehousing operation and development of e-commerce capabilities.

Historical transport market growth

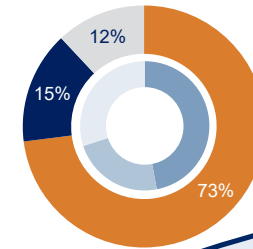
CAGR in %	1980-2008	2000-2015	2015	2016	2017	2018	2019	2020	2021e
Global real GDP	2.3%	4.6%	3.2%	3.1%	3.5%	3.7%	3.0%	-3.4%	6.4%
Global trade	4.4%	4.3%	2.8%	2.4%	4.2%	4.2%	3.4%	-9.5%	8.1%
multiplier ^ (x)	1.9x	0.9x	0.9x	0.8x	1.2x	1.1x	1.1x	2.8x	1.3x
Container volumes*	9.0%	7.0%	1.2%	3.2%	4.0%	4.4%	3.2%	-4.0%	5-7%
multiplier ^ (x)	3.9x	1.4x	0.4x	1.0x	1.1x	1.2x	1.1x	1.2x	0.8x
Air freight volumes*	4.9%	3.7%	1.4%	4.0%	10.3%	4.1%	0.0%	-14.0%	7-9%
multiplier ^ (x)	2.1x	0.8x	0.4x	1.3x	2.9x	1.1x	0.0x	4.1x	1.1x

* Containers in TEU, air freight in tonnes

Source: DSV estimates, Morgan Stanley Research

From local haulier to global player

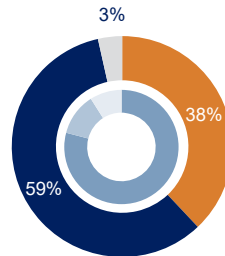
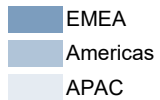
A global network created through organic growth and M&A



Breakdown of EBIT by division



Breakdown of EBIT by geography



1976

10 independent hauliers established DSV

1997

2,694 DKKm Revenue

98 DKKm EBIT

DSV acquired Samson Transport

2000

19,478 DKKm Revenue

854 DKKm EBIT

DSV acquired DFDS Dan Transport Group

2006

31,972 DKKm Revenue

1,504 DKKm EBIT

DSV acquired Frans Maas

2008

37,435 DKKm Revenue

1,936 DKKm EBIT

DSV acquired ABX LOGISTICS

2016

67,747 DKKm Revenue

3,475 DKKm EBIT

DSV acquired UTi Worldwide

2020

115,932 DKKm Revenue

9,520 DKKm EBIT

In 2019, DSV acquired Panalpina

2021

160,000 DKKm Combined annual revenue

In August 2021 DSV acquired Agility' Global Integrated Logistics

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.
- 100% share deal with an enterprise value of approx. USD 4.2 bn.
- Agility will become an ~8% shareholder in DSV.

GIL will add USD 4.0 billion annual revenue*

Attractive exposure to Air & Sea business



Air & Sea Road Contract Logistics

Strengthening our geographical footprint

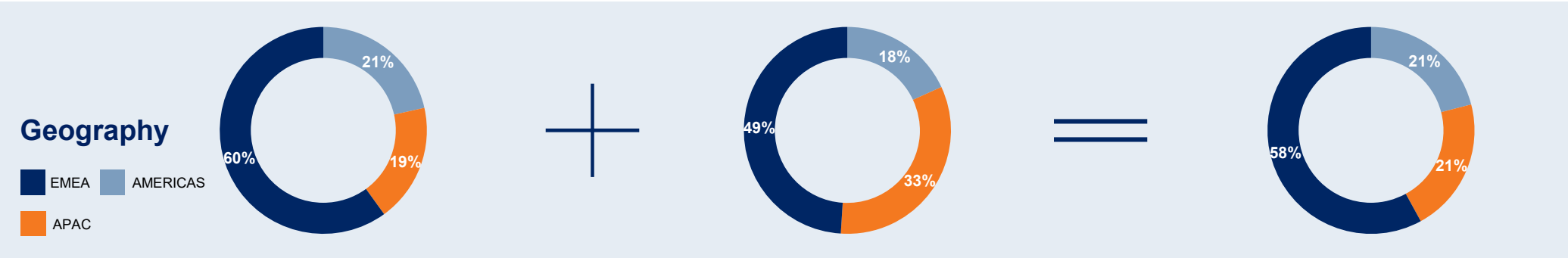
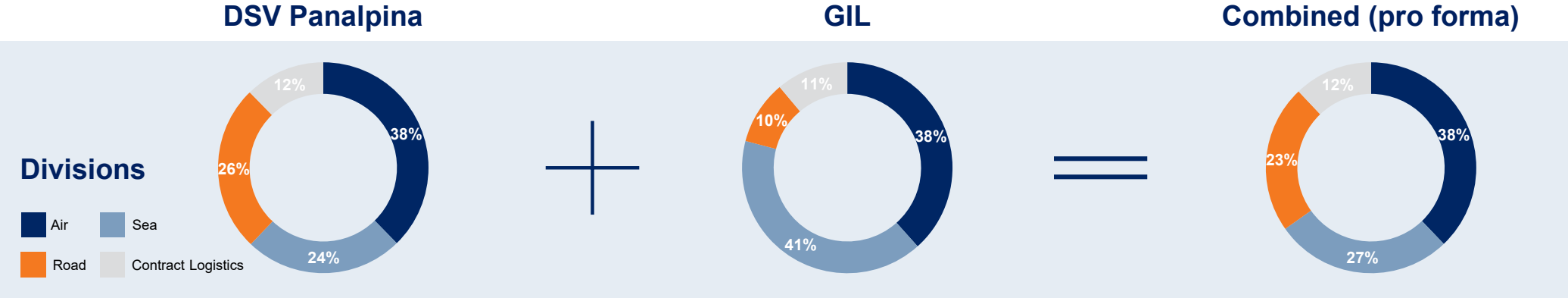


EMEA APAC Americas

*Numbers based on FY2020

DSV Panalpina and GIL combined (based on 2020 revenue)

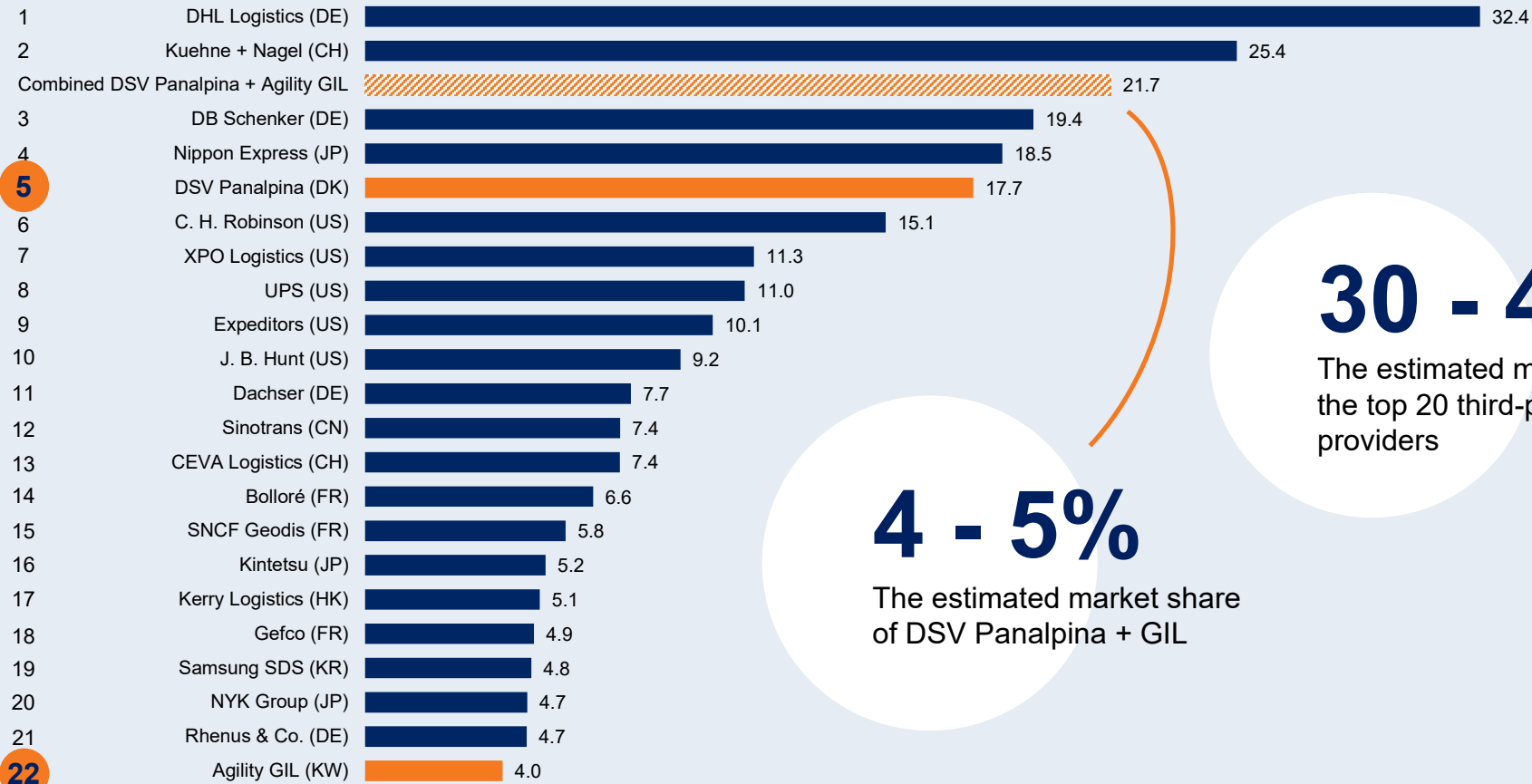
Adding scale and expanding the global network



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

Creating a global top-three company

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

Key takeaways of GIL transaction

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 in the various business areas



**) diluted and adjusted*

A strong mandate is a prerequisite for our M&A strategy

After GIL closing, the DSV Board of Directors proposed a renewal of the authorisation of a 20% share capital increase



Consistent track record

Historical authorisations used for financing of **value creating M&A**.



Foundation for new M&A

Ensure **maximum leverage in M&A negotiations** – we must have the mandate to act upon.



Obliged to secure the mandate

We acknowledge that the mandate is larger than general guidelines from some proxy advisors, but DSV's Board of Directors plans to propose a 20% authorisation at the upcoming EGM to secure that we can **execute on our M&A strategy**.



Continued transparency

We continue to have an open and constructive dialogue with our shareholders to ensure **maximum transparency**.

Corporate responsibility

Focus areas

Business ethics

We do business with integrity, respecting different cultures and the dignity and rights of individuals in all countries.



People

We provide safe and healthy workplaces, and we strive to attract, motivate and retain talented people by offering responsibility, empowerment and growth opportunities.



Environment

We have a responsibility to drive our own operations and the industry towards minimising the environmental impact of transport and logistics services.



Community engagement

We engage with and support communities in which we operate, and we use our expertise to support people in need.



Responsible procurement

We ensure our suppliers meet our high standards, service quality and price requirements and demonstrate an understanding of our Corporate Responsibility objectives.



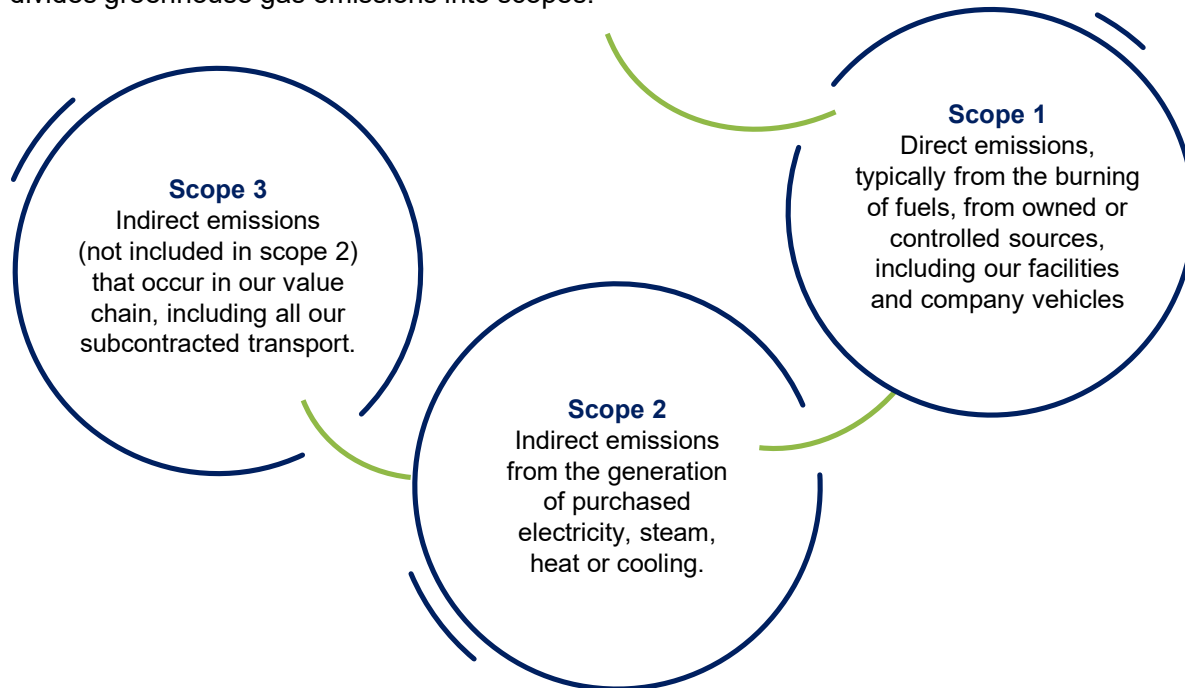
UN Global Compact – UN Sustainable Development Goals – GRI Certified Responsibility Report – Science Based Targets initiative

Science-based targets 2030

We want to reduce our scope 1 and 2 emissions by 40% and scope 3 by 30%

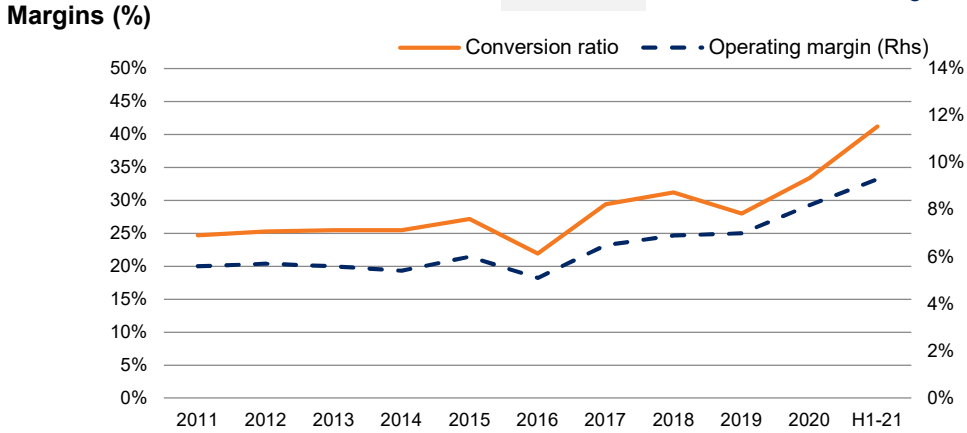
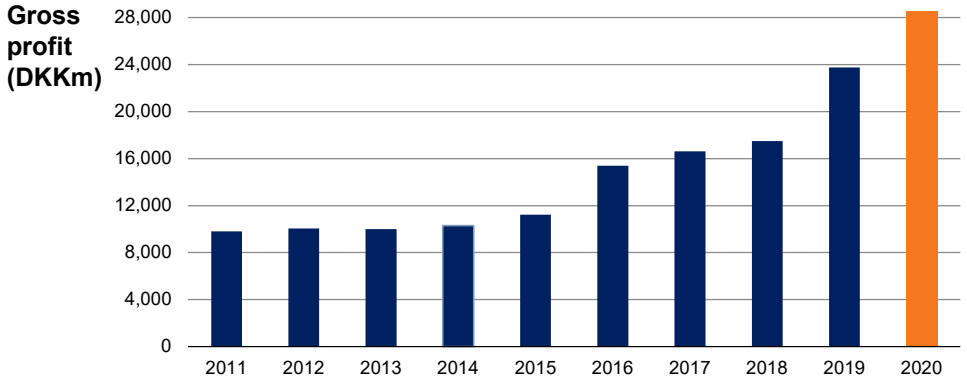
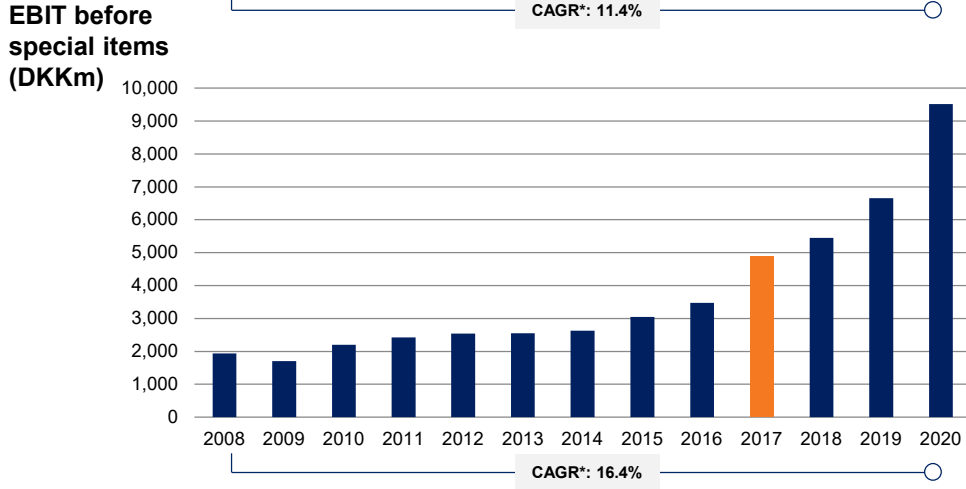
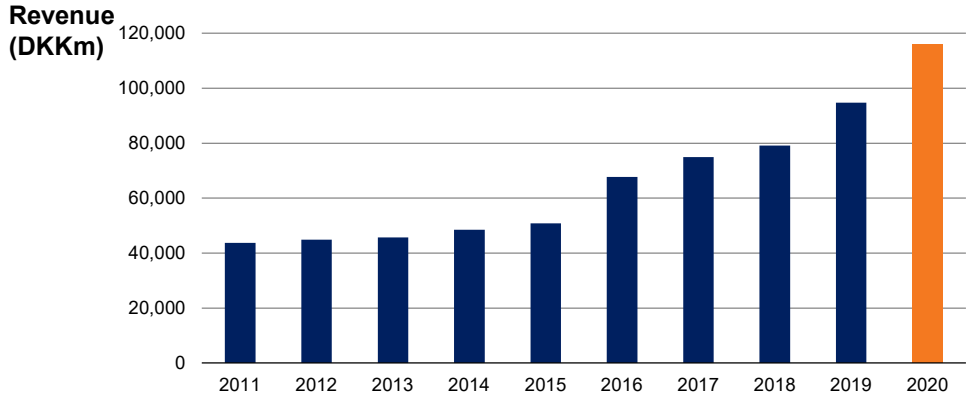
Scopes of emissions

The SBTi framework uses the reporting standards established by the Greenhouse Gas Protocol, which divides greenhouse gas emissions into scopes:



- Our targets aim to reduce our CO₂ emissions by 2030 from a 2019 baseline year.
- The targets are aligned with the goals of the Paris Agreement - to **limit global warming to well below 2°C** above pre-industrial levels and to pursue efforts to limit global warming to 1.5°C.
- DSV Panalpina is committed to the Science Based Targets initiative, which has approved our targets **for reducing carbon emissions**.
- DSV Panalpina is one of the **first global players** in our industry to set science-based targets.

Solid financial performance over the years

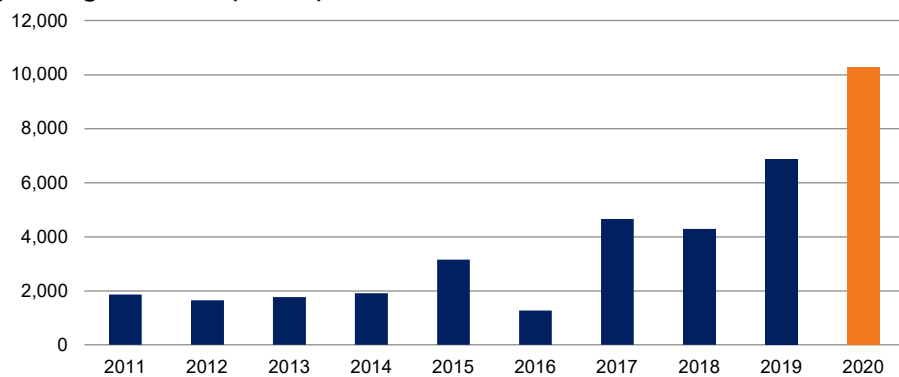


*Average annual growth (CAGR) includes M&A and IFRS 16

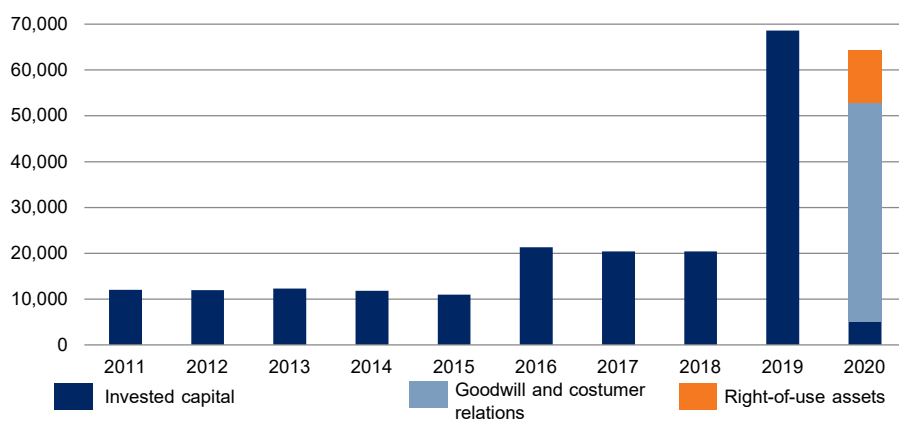


Cash flow and ROIC

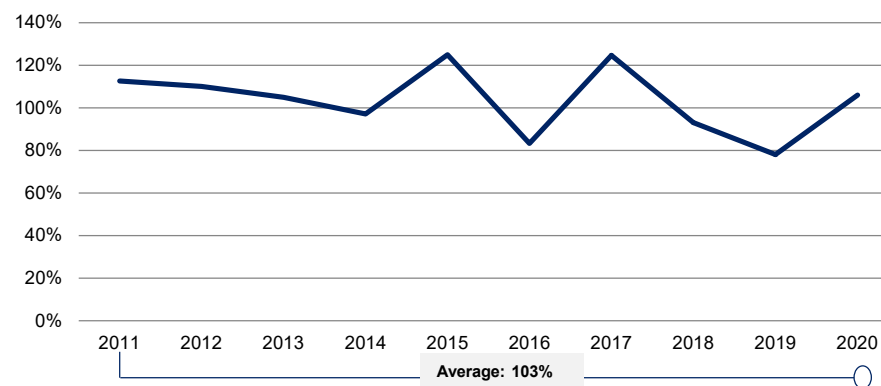
Operating cash flow (DKKm)



Invested capital (DKKm)

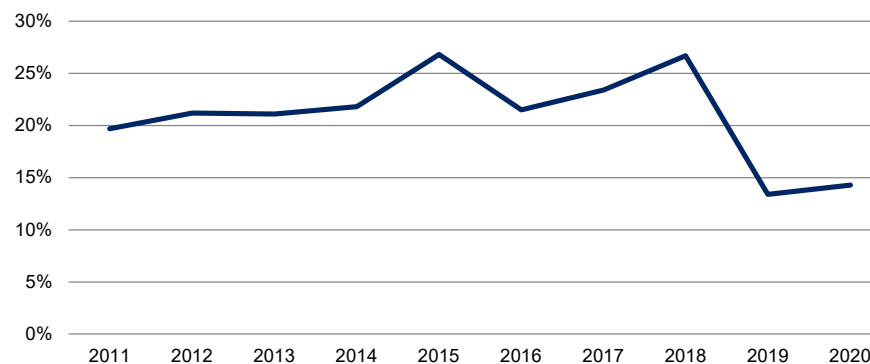


Cash conversion ratio* (%)



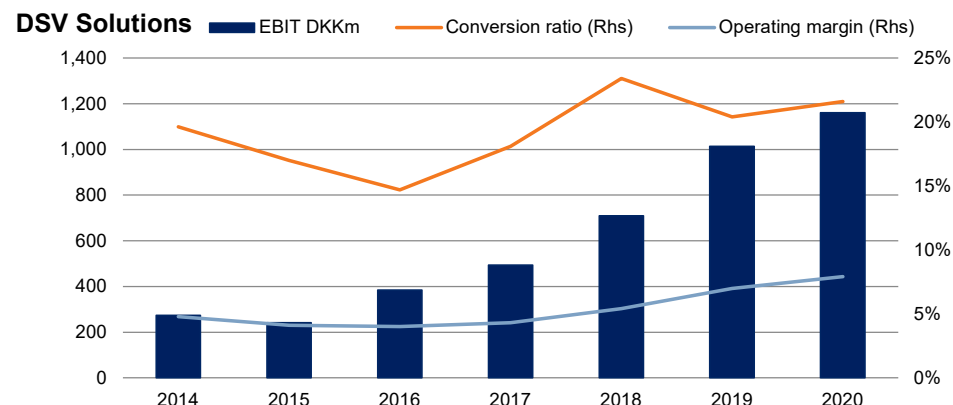
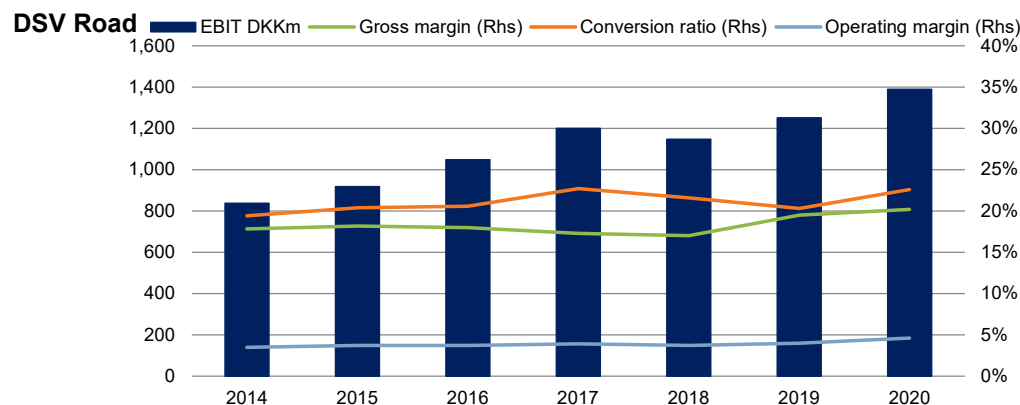
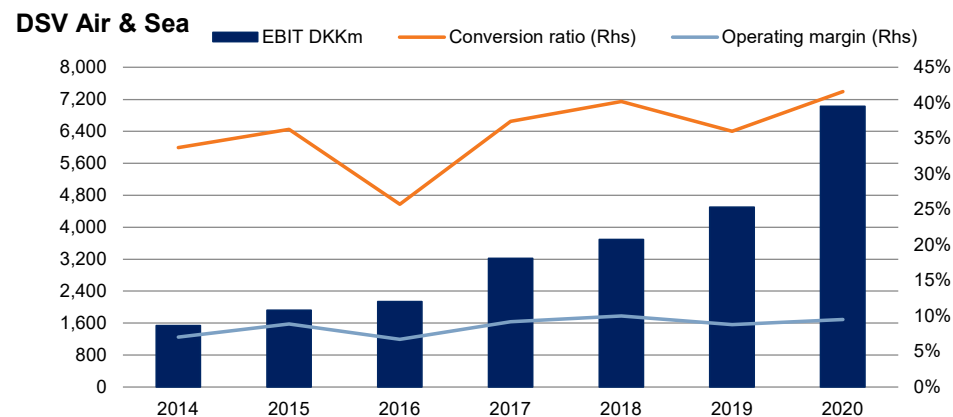
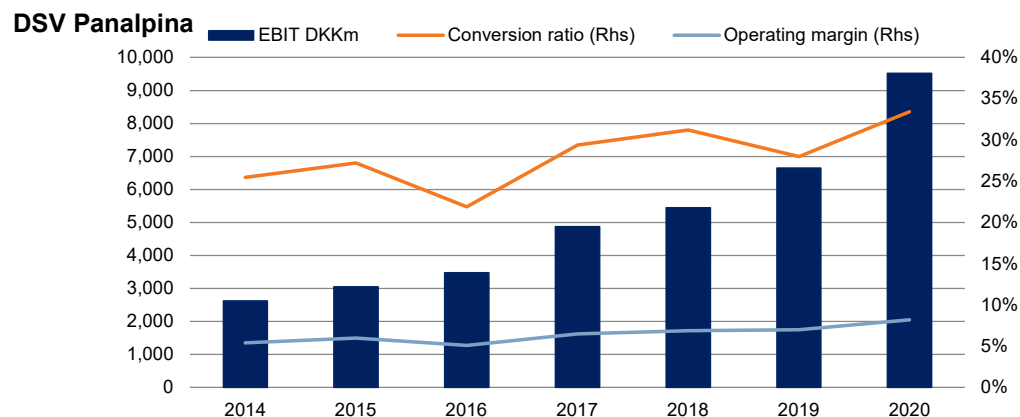
* Cash conversion ratio: (Adjusted free cash flow before net financial items and tax)/EBIT before special items

ROIC before tax (%)



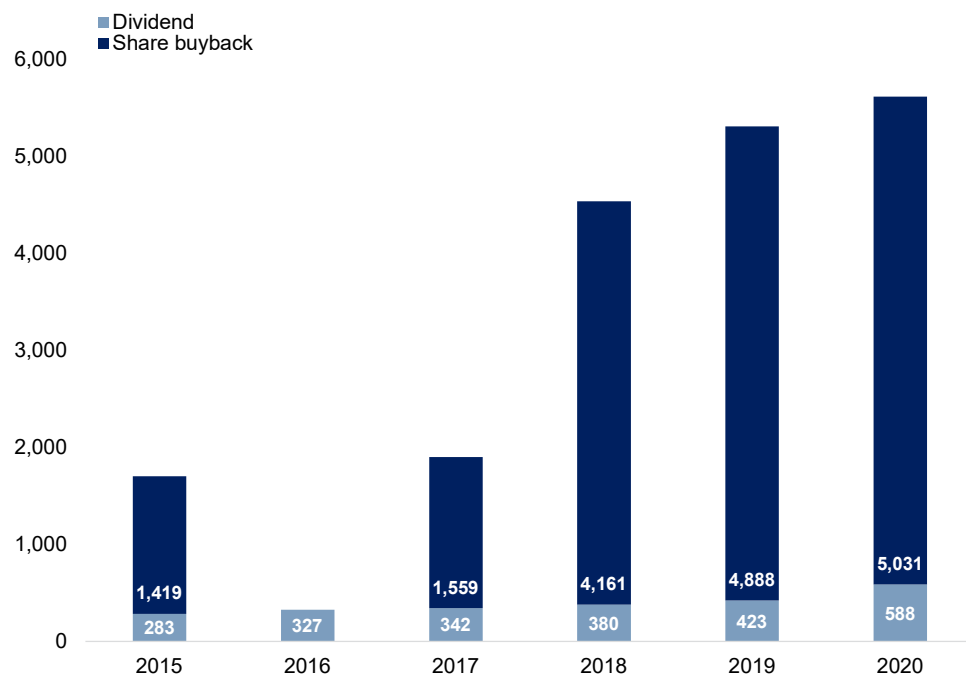
Financial performance per division

Selected KPIs



Capital structure and capital allocation

(DKKm)



Management commentary

Financial gearing target

Net interest-bearing debt below 2.0x EBITDA before special items.

Free cash flow priorities

1. Repayment of debt (if above target gearing ratio).
2. Value creating acquisitions or further development of the existing business.
3. Allocation to shareholders via share buyback and dividend.

Dividend policy

Dividend per share for 2020: DKK 4.00 per share (2019: DKK 2.50).

DSV Panalpina aims to ensure an annual dividend payout ratio of approximately 15% of net profit.

Capital expenditures

Normalised CAPEX around 0.75% of revenue.

Quarterly P&L details

DSV Panalpina Group

(DKKm)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021
Revenue	19,979	20,079	24,521	30,122	94,701	27,309	28,782	28,125	31,716	115,932	33,616	37,831
Direct costs	14,865	14,794	18,250	23,038	70,947	20,625	21,396	20,873	24,504	87,398	25,831	29,498
Gross profit	5,114	5,285	6,271	7,084	23,754	6,684	7,386	7,252	7,212	28,534	7,785	8,333
Other external expenses	656	642	817	1,018	3,133	867	795	831	798	3,291	849	818
Staff costs	2,195	2,202	2,727	3,205	10,329	3,213	2,925	2,708	2,838	11,684	2,920	2,970
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	4,545
Depreciation of right-of-use assets	632	626	680	796	2,734	798	777	723	692	2,990	752	730
Amortisation and depreciation of owned assets	177	184	262	281	904	240	276	265	268	1,049	197	244
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	3,571
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	(16)
Financial expenses - lease liabilities	89	91	96	107	383	114	95	109	116	434	119	108
Financial expenses	106	83	102	315	606	548	218	427	356	1,549	110	129
Profit before tax	1,281	1,463	1,500	752	4,996	458	1,876	1,794	1,499	5,627	3,046	3,318
Tax on profit for the period	318	314	351	307	1,290	127	486	457	299	1,369	717	791
Profit for the period	963	1,149	1,149	445	3,706	331	1,390	1,337	1,200	4,258	2,329	2,527
<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	22.0
<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	9.4
<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	42.9
<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	23.8
<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	1,457
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	59,871

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	Q2 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	25,948
Direct costs	6,987	7,153	10,538	13,956	38,634	12,799	14,481	13,607	15,893	56,780	18,136	20,806
Gross profit	2,424	2,529	3,443	4,121	12,517	3,875	4,663	4,303	4,068	16,909	4,788	5,142
Other external expenses	386	424	594	863	2,267	797	736	692	645	2,870	753	663
Staff costs	943	935	1,442	1,773	5,093	1,679	1,530	1,394	1,445	6,048	1,445	1,435
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	3,044
Depreciation of right-of-use assets	82	61	127	214	484	211	190	151	127	679	136	144
Amortisation and depreciation of owned assets	15	16	60	76	167	58	95	72	61	286	61	57
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	2,843
<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	19.8
<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	11.0
<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	55.3
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	18,067
<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	14,197
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	2,897
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	349,210
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	8,296
<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	11,751
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	2,245
Sea freight, 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	573,385
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	3,915

Quarterly P&L details

Road

(DKKm)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 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	8,663
Direct costs	6,541	6,298	6,170	6,456	25,465	6,386	5,556	5,936	6,379	24,257	6,399	6,895
Gross profit	1,561	1,535	1,528	1,532	6,156	1,535	1,431	1,585	1,587	6,138	1,657	1,768
Other external expenses	300	232	261	267	1,060	287	242	251	241	1,021	258	272
Staff costs	719	725	679	741	2,864	757	686	650	706	2,799	742	779
EBITDA before special items	542	578	588	524	2,232	491	503	684	640	2,318	657	717
Depreciation of right-of-use assets	218	213	212	219	862	206	209	211	202	828	236	220
Amortisation and depreciation of owned assets	26	27	33	33	119	26	31	25	18	100	18	21
EBIT before special items	298	338	343	272	1,251	259	263	448	420	1,390	403	476
<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	20.4
<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	5.5
<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	26.9
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	15,503

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	3,997
Direct costs	1,923	1,961	2,209	3,328	9,421	2,185	1,985	2,075	2,994	9,239	2,261	2,620
Gross profit	1,126	1,186	1,256	1,401	4,969	1,256	1,271	1,313	1,529	5,369	1,348	1,377
Other external expenses	264	254	278	292	1,088	289	244	255	301	1,089	281	297
Staff costs	306	304	341	355	1,306	385	365	344	355	1,449	377	377
EBITDA before special items	556	628	637	754	2,575	582	662	714	873	2,831	690	703
Depreciation of right-of-use assets	314	335	329	348	1,326	364	361	342	355	1,422	369	359
Amortisation and depreciation of owned assets	49	52	69	66	236	59	67	60	62	248	58	66
EBIT before special items	193	241	239	340	1,013	159	234	312	456	1,161	263	278
<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	34.5
<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	7.0
<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	20.2
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	22,814

Specification of amortisation and depreciation

(DKKm)	Q2 2021					Q2 2020				
	Air & Sea	Road	Solutions	Group	Total	Air & Sea	Road	Solutions	Group	Total
Right-of-use-assets	144	220	359	7	730	207	207	360	18	792
Customer relationships	33	2	2	0	37	45	3	4	1	53
Owned assets	24	19	64	100	207	33	30	64	81	208
Total	201	241	425	107	974	285	240	428	100	1,053

(DKKm)	H1 2021					H1 2020				
	Air & Sea	Road	Solutions	Group	Total	Air & Sea	Road	Solutions	Group	Total
Right-of-use-assets	280	456	728	18	1,482	418	413	724	35	1,590
Customer relationships	67	4	5	0	76	88	6	8	1	103
Owned assets	51	35	119	160	365	48	53	119	178	398
Total	398	495	852	178	1,923	554	472	851	214	2,091

Our approach to IT

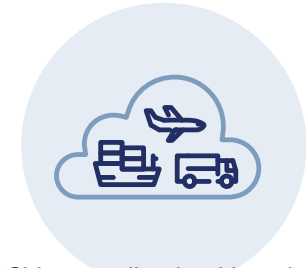
Strong platforms with ongoing development and investments



Consolidated IT landscape with one transport/warehouse management system per division ensuring high data quality and productivity



Millions of shipments are **booked and tracked** by our customers



myDSV, our online booking platform, enables our customers to **easily book and track shipments**



Our **IT systems**, infrastructure and back-office functions are **scalable**, providing operational leverage opportunities in all three divisions



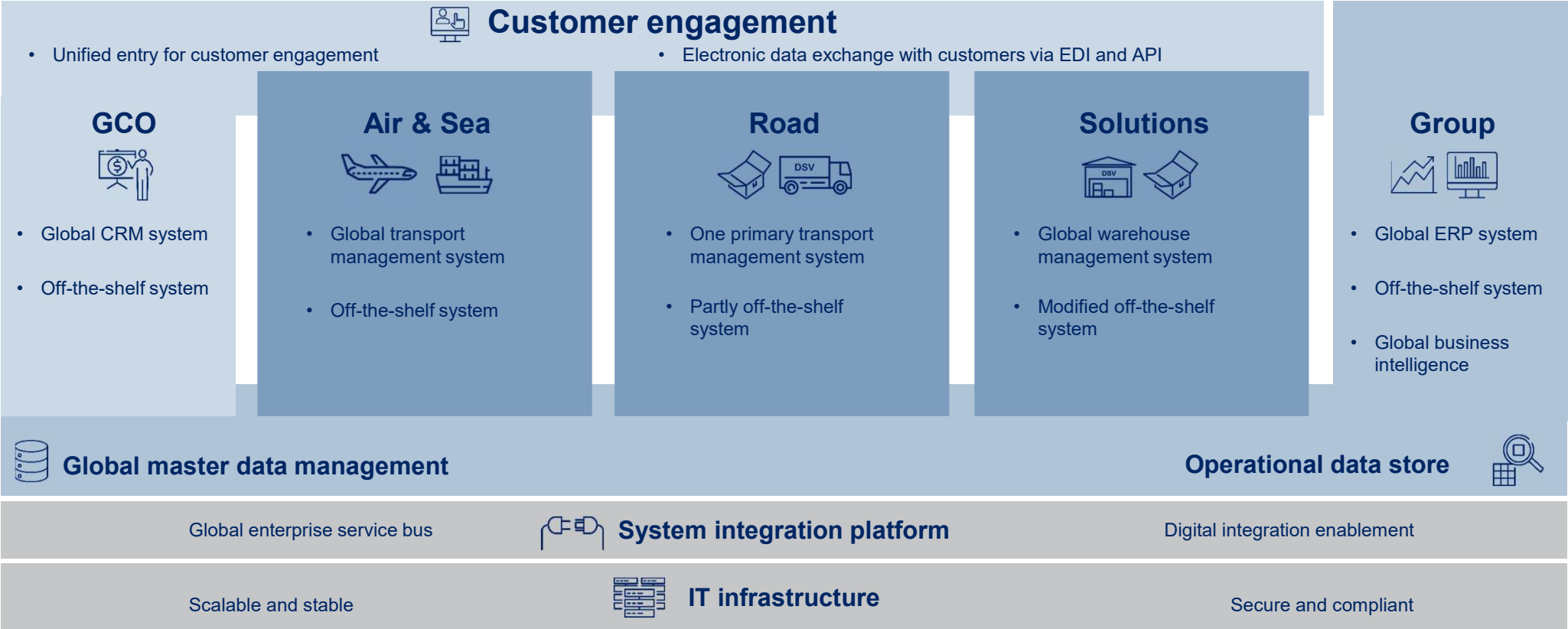
Strong focus on **operational reliability, data security** and safeguarding against **cyber attacks**



We work with established technologies such as **robotics and predictive analytics** and keep track of emerging technologies

Our IT landscape

DSV Enterprise Reference Model



myDSV

Our self-service platform

Online, convenient and fast.

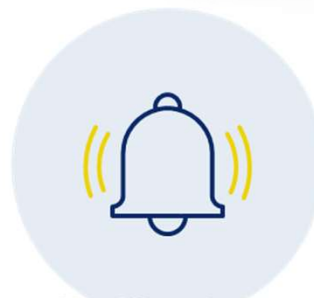
myDSV is more than a booking portal – it also supports features such as:



Track & Trace



Reporting



Notifications

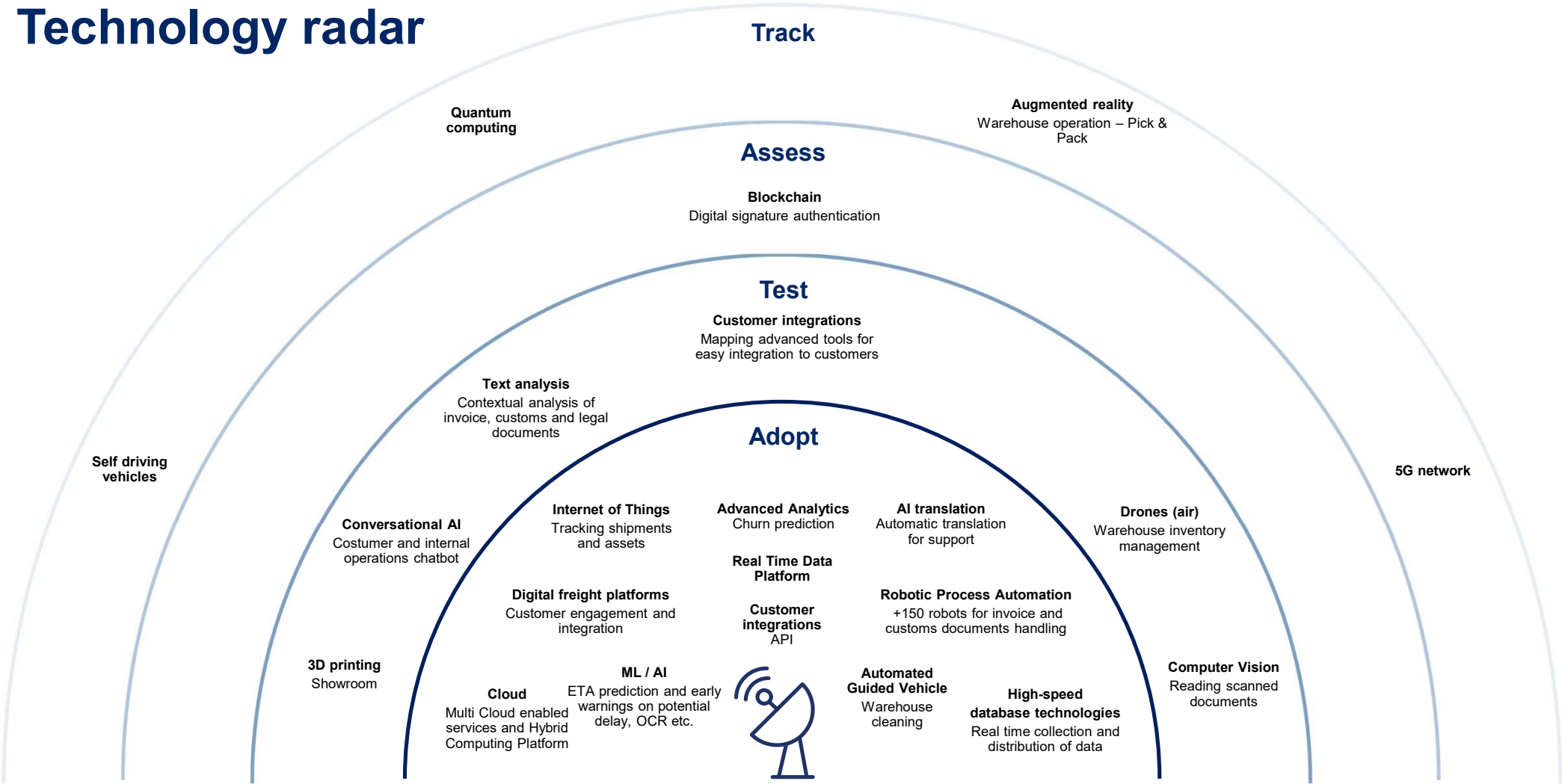


Upload bookings



Label printing

Technology radar



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 Oct. 2021 Interim Financial Report, Third Quarter 2021

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