

DSV A/S

Bureau Veritas Kick Off 2022

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Group CFO

DSV

Agenda

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3 Our M&A strategy

4 Key elements of DSV integrations

5 Sustainability

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DSV

Global transport and logistics

Global operations



+75,000
Employees



+1,500
Offices and
logistics facilities



+90
Countries

One company – three divisions



Air & Sea
A global network



Road
Overland transport in
Europe, North America
and South Africa



Solutions
Contract logistics
services worldwide

DSV



Hedehusene, Denmark
Headquarters



Nasdaq Copenhagen
No majority shareholder – 100% free float



A3 (Stable) by Moody's
A- (Stable) by Standard & Poors



Committed to being responsible



Guided by
UN Global Compact & SDG
(Sustainable Development Goals)

Our purpose, vision and mission

Shaped by our culture and the world around us

Purpose

Keeping supply chains flowing
in a world of change

- We are part of the critical infrastructure.
- We conduct our business with integrity.
- We contribute our fair share to societies.

Vision

Sustainable growth

- We help our customers grow.
- We provide equal opportunities for employees.
- We grow shareholder value.

Mission

Operational excellence

- We design efficient infrastructure.
- We take ownership and show initiative.
- We integrate sustainable solutions.

Market position

We are among the industry leaders

3rd
Air freight



3rd
Sea freight



3rd
Road freight (Europe)



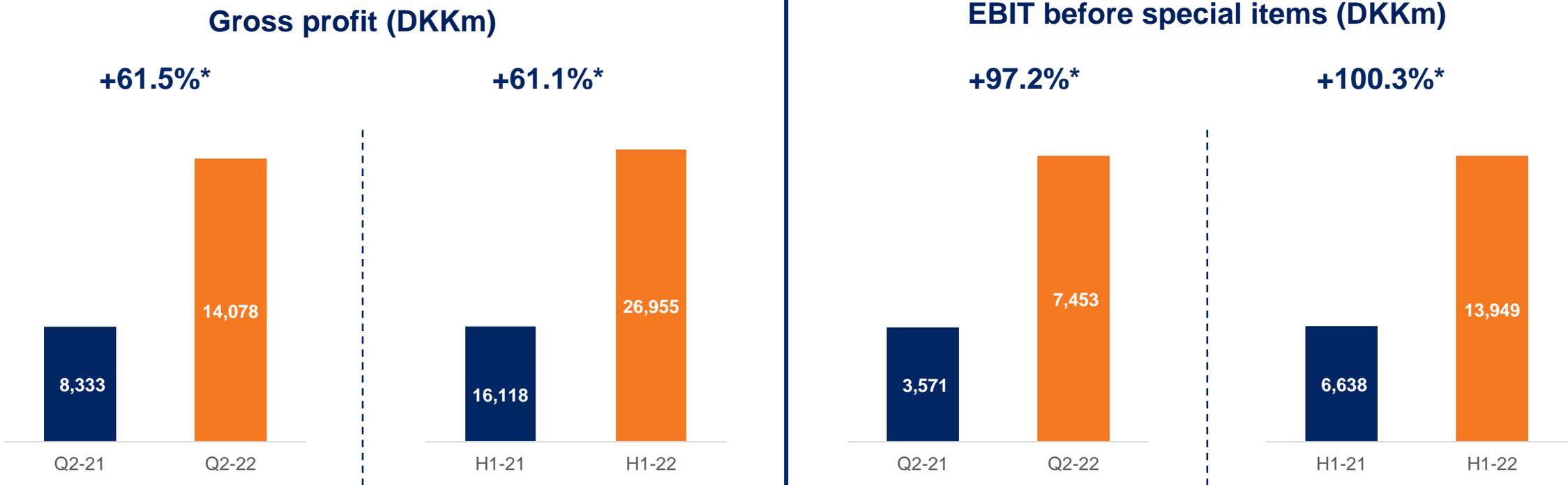
10th
Logistics solutions



Financial highlights

Highlights H1 2022

- Solid performance across the organisation – demand has softened but congestion remains an issue.
- The successful GIL integration is now close to complete.
- Strong cash flow and new three-month **DKK 7 billion** share buyback programme.
- 2022 EBIT guidance upgraded to **DKK 23 - 25 billion** (previously DKK 21 - 23 billion).

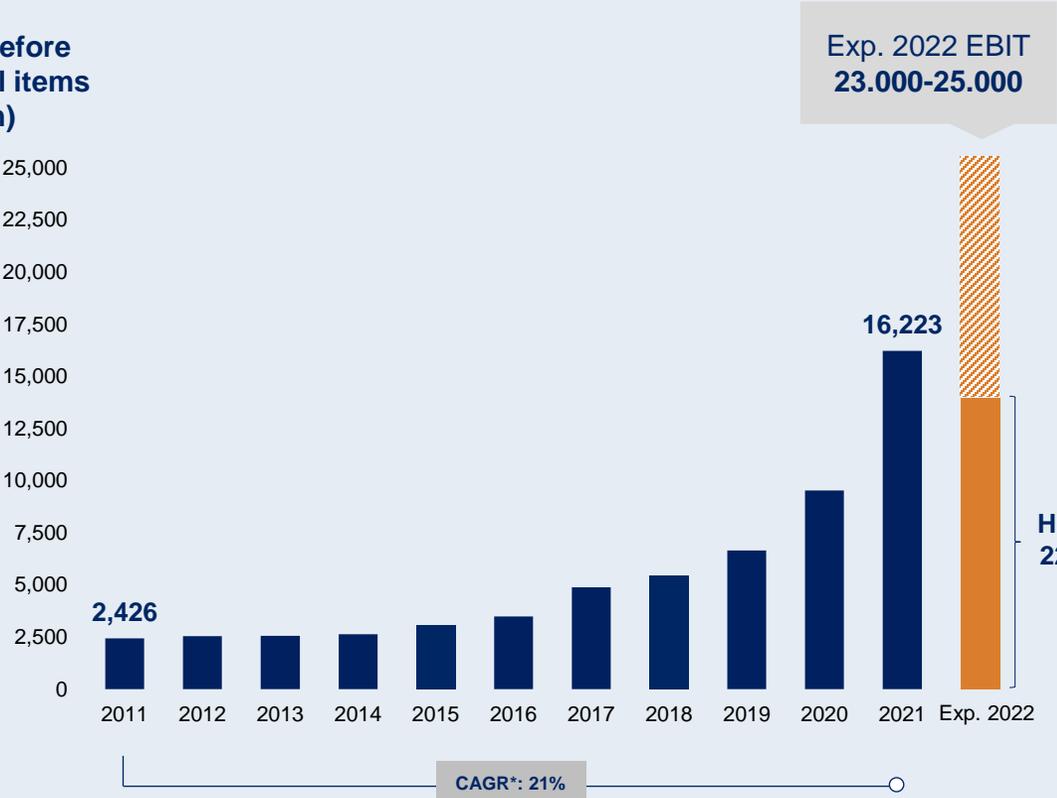


*) Growth rates are including M&A and in constant currencies.

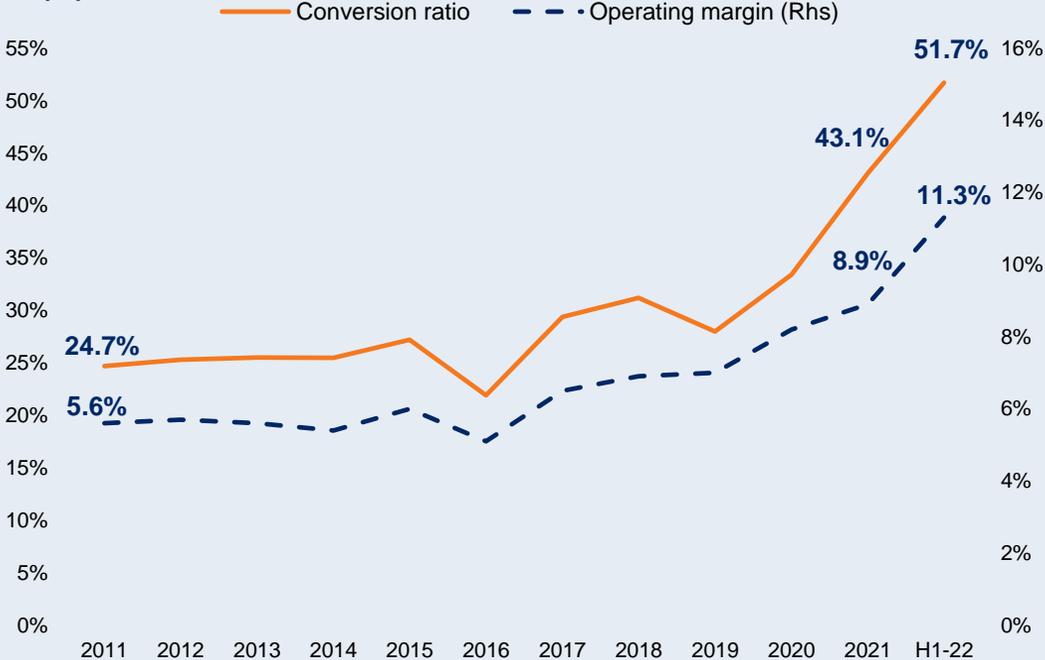


Financial performance over the years

EBIT before special items (DKKm)



Margins (%)



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



Our M&A strategy

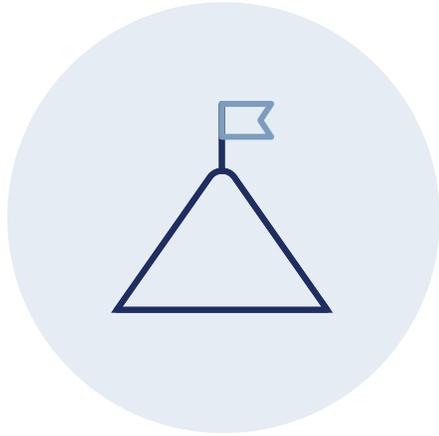
Why do we pursue M&A?

- A fragmented industry
- Scale benefits and synergy potential
- Adding new services and markets
- Our ultimate target: Create shareholder value



Standardised processes

A prerequisite for growth and operational excellence



Efficiency

Optimising the use of resources.
Increasing productivity and profitability.



Scalability

Enabling successful integrations of
large acquisitions at a high pace.



Customer service

Operational excellence in more
than 90 countries worldwide.

DSV's acquisitions among the largest M&A deals in Denmark

	Target	Acquirer	Year	~Value in EURm
1	Scottish & Newcastle Plc	Carlsberg A/S	2008	7,827
2	Unilabs	AP Møller Holdings	2022	5,000
3	RSA Insurance group	Tryg A/S	2020	4,974
4	Panalpina Welttransport AG	DSV A/S	2019	4,720
5	Agility GIL	DSV A/S	2021	4,060
7	Hamburg Süd	Mærsk A/S	2016	3,700
8	LF Logistics Holdings Limited	Mærsk A/S	2022	3,180
9	Eaton Corp. Plc	Danfoss A/S	2021	2,975
10	Dicerna Pharmaceuticals	Novo Nordisk A/S	2021	2,180
11	Ørsted A/S' RBC business	SEAS-NVE Amba	2021	2,852
12	Atos Medical	Coloplast	2021	2,155
13	Faerch Group A/S	AP Møller Holdings	2021	1,900
14	SK do Brasil Ltda	Mærsk A/S	2010	1,830
15	Codan Forsikring A/S	Alm. Brand A/S	2021	1,690
16	Get AS	TDC A/S	2014	1,667
17	Armacell International	Lundbeck A/S	2020	1,400
18	Emisphere Technologies Inc.	Novo Nordisk A/S	2020	1,180
19	Alder Biopharmaceuticals	Lundbeck A/S	2019	1,172
20	UTi Worldwide, Inc.	DSV A/S	2016	1,116

Source: Factset, Bloomberg, estimated

 DSV has 3 M&A deals in Top 20 in Denmark in the last 15 years.

 Since 2016, DSV has invested approx. DKK 75 billion in acquisitions (Equity value).

 The target is to create shareholder value and we aim for 20% ROIC (pre-tax).

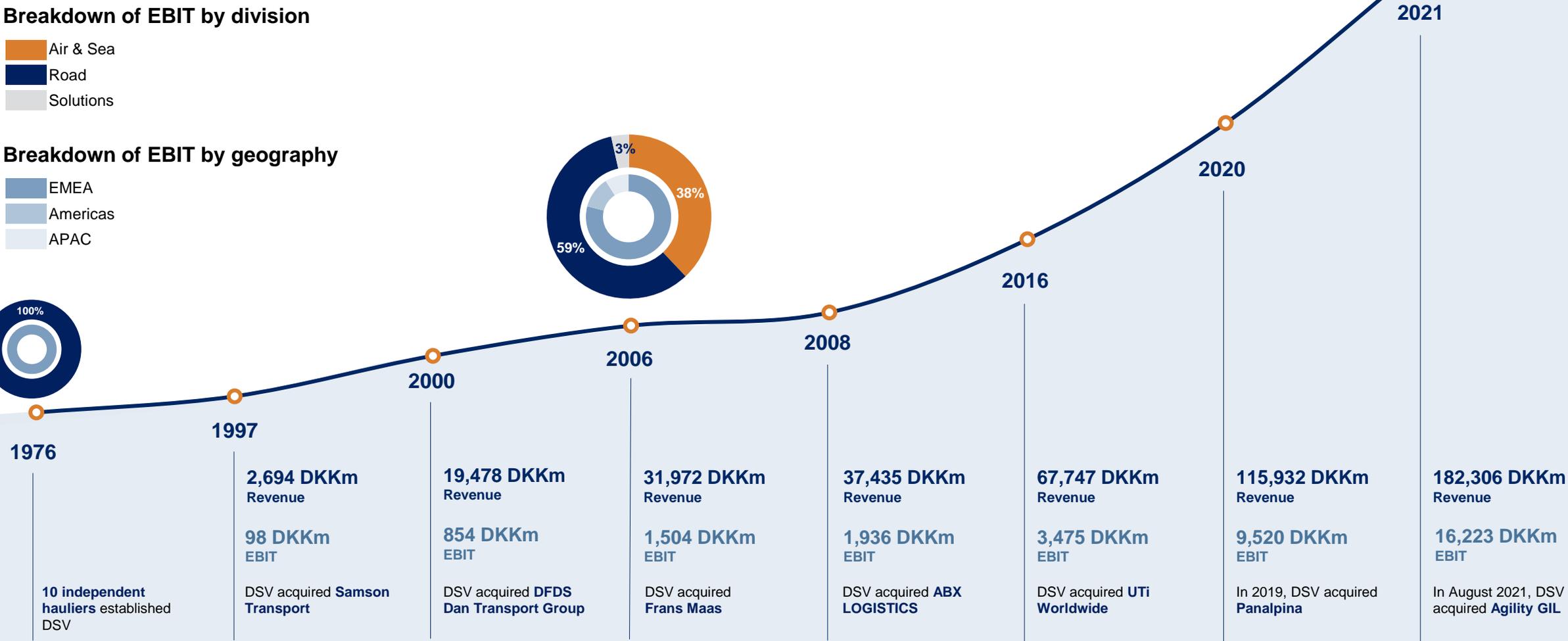
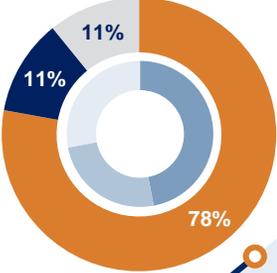
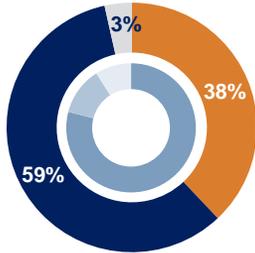
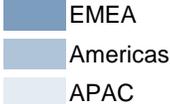
From local haulier to global player

A global network created through organic growth and M&A

Breakdown of EBIT by division

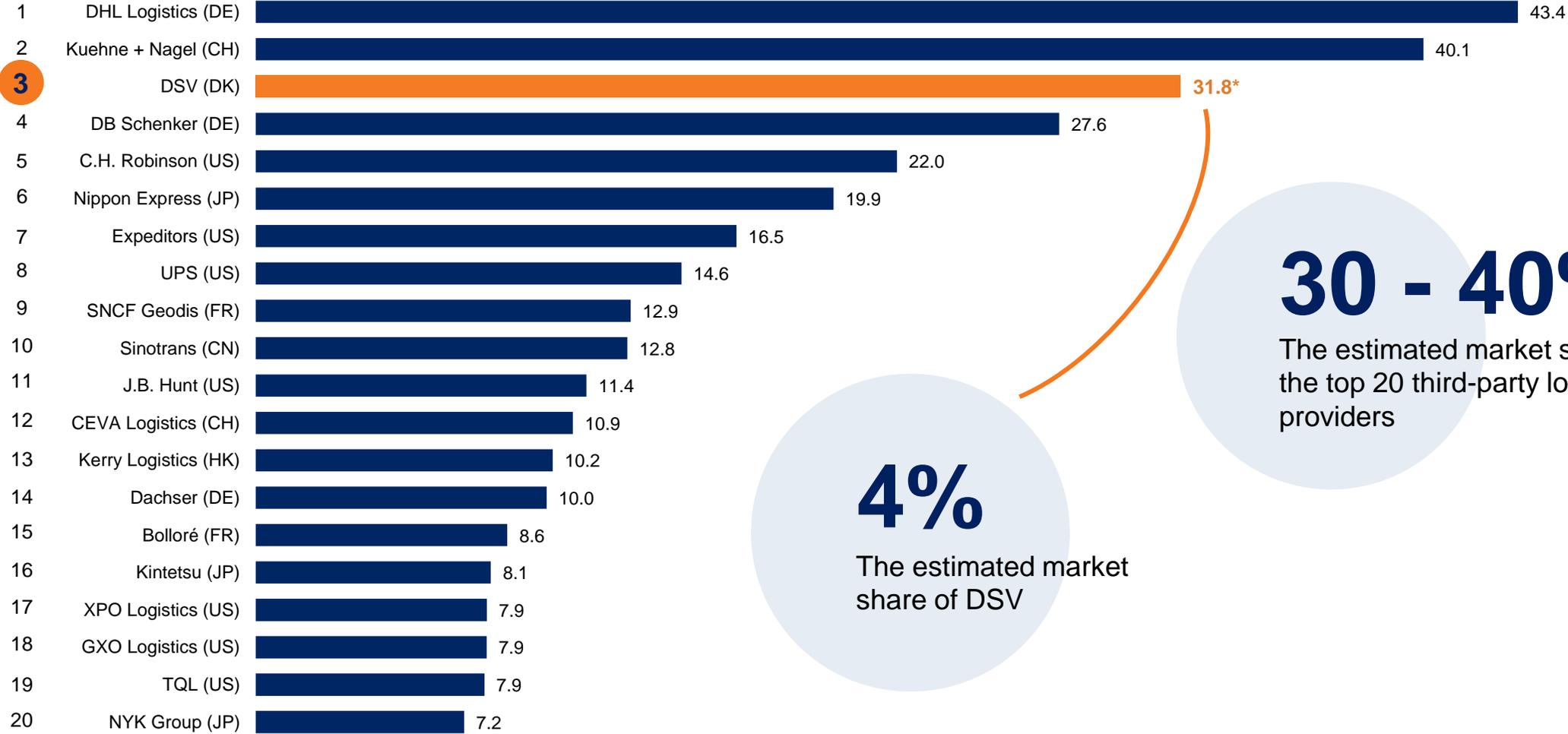


Breakdown of EBIT by geography



Creating a global top-three company

Third-party logistics providers by 2021 revenue in USD billion



4%
The estimated market share of DSV

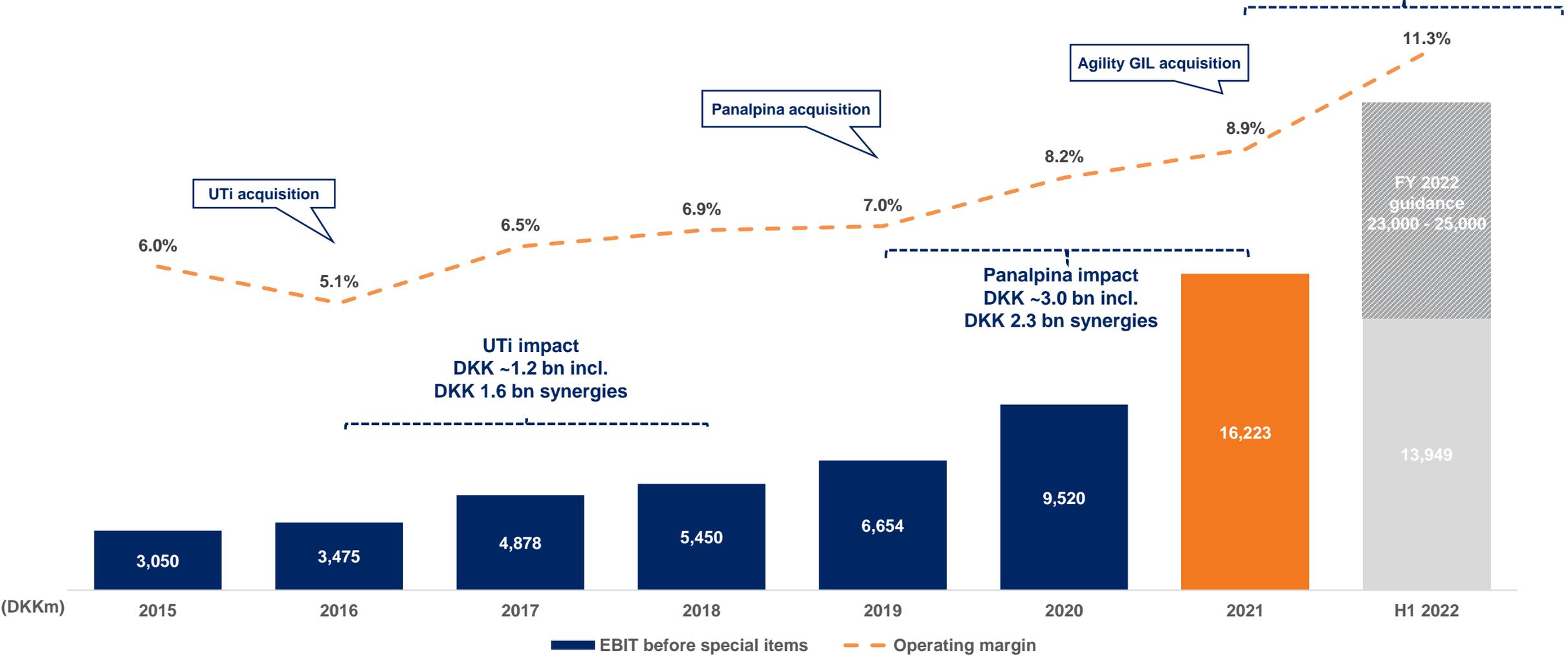
30 - 40%
The estimated market share of the top 20 third-party logistics providers

Source: Journal of Commerce, DSV estimates.

*Pro-forma full-year DSV revenue including full impact from GIL.

Lifting EBIT from DKK 3 billion to DKK 25 billion

Acquisitions contribute directly – and improve the existing business



Key elements of DSV integrations

The M&A process

Milestones



Key elements of DSV integrations

EXTERNALLY FOCUSED



Fast and complete integration of acquirers

No parallel organisations/brands in the market.



Customer integration

Proactive customer engagement to minimize loss of business.

INTERNALLY FOCUSED



Retain key personnel

Clear communication about integration, avoid uncertainty.

Stay-on bonus for selected employees.



No “double housekeeping”

Only *one* management team.
Only *one* administration.
Only *one* location.



Transfer to the DSV IT platform

Lifting productivity, saving costs.

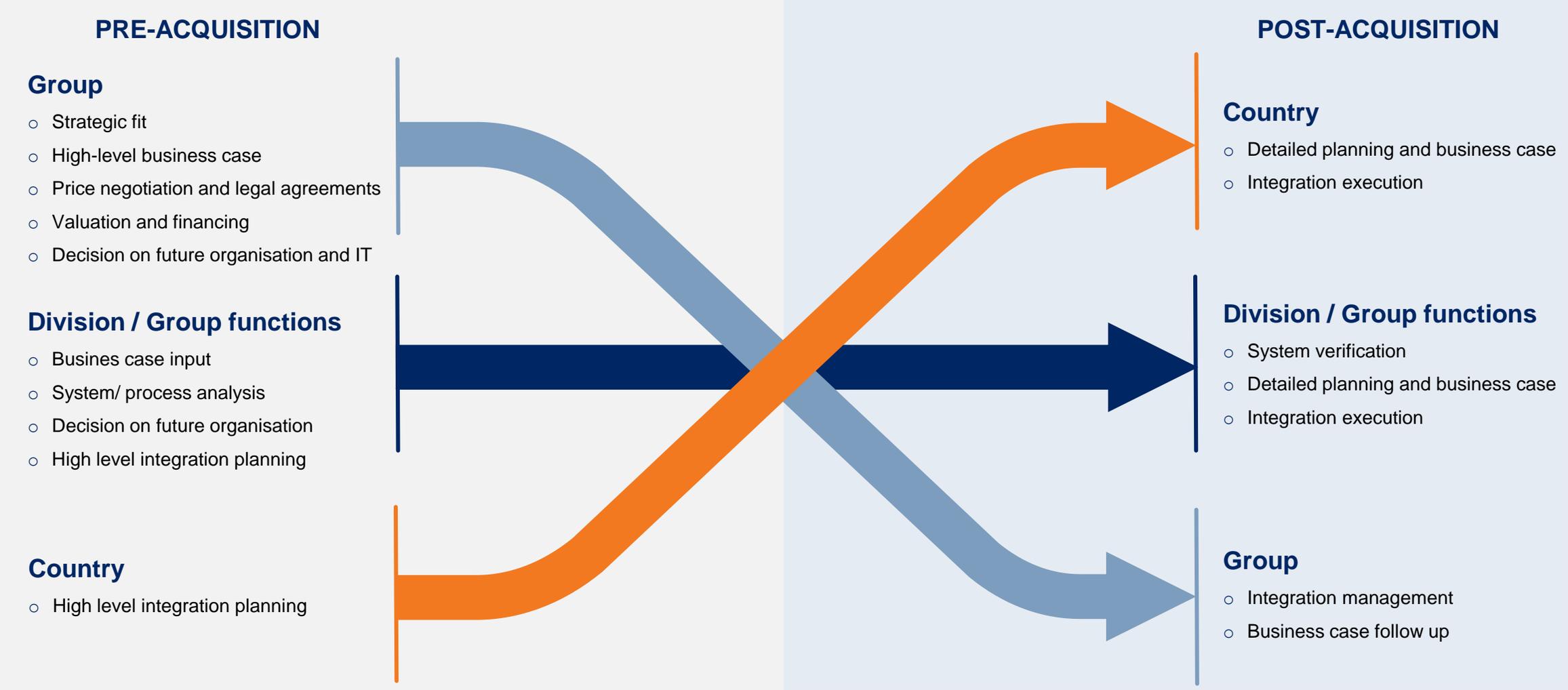


Agreed business plan carried out

Follow-up to achieve expected synergies.

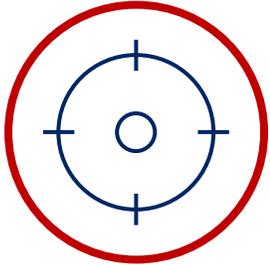
Responsibility of integration processes

Clear ownership and communication



What could go wrong?

Planning is the key to successful execution



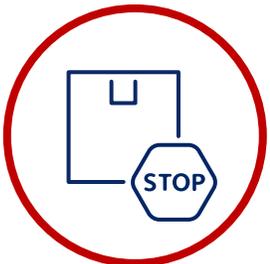
Bad strategic fit

Wrongly identified targets.



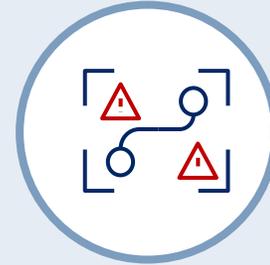
Loss of key employees

Employees decide to search career opportunities elsewhere.



Loss of customers

Customers decide to discontinue their agreements with the company.



Failure in integration process

Appointment of new management team takes too long, uncertainty in organisation, unforeseen IT integrations issues, etc.



Failure to deliver on expected synergies

Lack of local ownership, incapability to deliver shareholder value and promised synergies.



Long clearance process

Obtaining approval from competition authorities taking longer than expected and thus delaying the process.

Sustainability



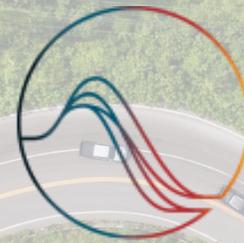
ESG initiatives



Committed to UN Global Compact since 2009



Guided by the Sustainable Development Goals



SCIENCE
BASED
TARGETS

REDUCE SCOPE
1 & 2 EMISSIONS

40%
BY 2030

REDUCE SCOPE
3 EMISSIONS

30%
BY 2030



**BUREAU
VERITAS**

Quality
ISO 9001

Environment
ISO 14001

Health and
Safety
ISO 45001

Bureau Veritas certified

Green Logistics

A set of solutions that reduce the carbon footprint of your supply chain



Q&A