

13 September 2024

DSV SIGNS AGREEMENT TO ACQUIRE SCHENKER

Company Announcement No. 1132

DSV A/S (“DSV”) has today signed an agreement with Deutsche Bahn to acquire 100% of Schenker AG (“Schenker”) and its affiliates in an all-cash transaction. The transaction values Schenker at EUR 14.3 billion (approximately DKK 107 billion) on an Enterprise Value basis.

The acquisition of Schenker is a transformative transaction for DSV, creating a world-leading player within the global transport and logistics industry. Together, DSV and Schenker will have a combined revenue of DKK 293 billion, (based on pro-forma 2023 full-year financials) and a joint workforce of around 147,000 employees across more than 90 countries. The combination of the two businesses will create economies of scale and provide a unique offering for our customers, with the addition of highly skilled employees, an enhanced global network, comprehensive solutions and digitalised products and services. The commercial and operational fit between all three divisions of DSV and Schenker will provide strong opportunities to develop the combined business in the coming years, which in turn will contribute to growth, job creation and strong financial returns.

Jens H. Lund, CEO of DSV:

“This is a transformative event in DSV’s history, and we are very excited to join forces with Schenker. With the acquisition we bring together two strong companies, creating a world-leading transport and logistics powerhouse that will benefit our employees, customers and shareholders.”

Richard Lutz, CEO of Deutsche Bahn:

“The sale of DB Schenker to DSV marks the largest transaction in DB’s history and provides our logistics subsidiary with clear growth prospects. It has been important for us to find a strong partner for Schenker and a long-term home for the employees of the company.”

Jochen Thewes, CEO of Schenker:

“DB Schenker is one of the most powerful and innovative teams in transportation and logistics with more than 150 years of experience. The recent years have been the most successful in our company’s history and we have proven that DB Schenker is fit for the future. We are excited about the future prospects of the combined business. Together with DSV, our goal is to transform the industry and build a truly global market leader with joint European roots for the best of our employees and our customers.”

Transaction overview

- Enterprise value of EUR 14.3 billion (approx. DKK 107 billion) and equity value of EUR 11.3 billion (approx. DKK 84 billion).
- At completion, DSV will acquire 100% of Schenker AG, including all its affiliates in an all-cash transaction.
- Transaction multiples correspond to an EV/Revenue of 0.77x and an EV/EBIT of 14.0x based on the last twelve months financials ending June 2024.
- DSV expects to finance the transaction during the next 12 months through a combination of equity financing of around EUR 4-5 billion via an accelerated bookbuilding without pre-emption rights for existing shareholders and debt financing, as we remain committed to maintain our current credit ratings.
- DSV has obtained committed financing facilities from BNP Paribas, Danske Bank, HSBC and Nordea for the transaction.
- The transaction is subject to approval by the Supervisory Board of Deutsche Bahn and by the German Federal Ministry for Digital and Transport (Bundesministerium für Digitales und Verkehr) in the coming weeks, as well as customary regulatory approvals. Completion of the transaction is expected in Q2 2025. DSV will make customary disclosures upon satisfaction of outstanding conditions. Until the closing of the transaction, DSV and Schenker remain two separate companies conducting business as usual.

DSV A/S, Hovedgaden 630, 2640 Hedehusene, Denmark, tel. +45 43 20 30 40, CVR No. 58233528, www.dsv.com.

DSV Group

We provide and manage supply chain solutions for thousands of companies every day – from the small family run business to the large global corporation. Our reach is global, yet our presence is local and close to our customers. Approximately 74,000 employees in more than 80 countries work passionately to deliver great customer experiences and high-quality services. Read more at www.dsv.com

- DSV has entered social undertakings in relation to the employees of Schenker in Germany, which will apply for two years after closing.
- DSV's current share buyback programme of up to DKK 1.5 billion initiated on 24 July 2024 will be discontinued with immediate effect.

Strategic and financial rationale

Acquisitions are an integral part of DSV's growth strategy, and DSV has a long track record of successfully integrating acquired companies. The combination with Schenker is a unique opportunity to create and develop a world-leading logistics provider, offering distinctive solutions for our customers within a very dynamic and competitive industry.

DSV and Schenker are an excellent match based on similarities in business models, services and strategies, which will result in several benefits, including:

- Strong customer relationships and industry vertical expertise.
- Commercial synergies and additional cross-selling opportunities, as well as stronger network and service offerings.
- Operational synergies from consolidation of operations, administration and logistics facilities and IT infrastructure.
- Strong focus on sustainability.

The enhanced global network will benefit DSV's customers and other business partners and will support continued sustainable organic growth and operational synergies. DSV plans to invest EUR 1 billion over the next five years in Germany, which will contribute to ensuring long-term growth and job creation. Within the Air & Sea division, the addition of Schenker's global network will create a combined network, handling approximately 4.3 million containers (TEUs) and approximately 2.4 million tonnes of air freight annually. For the Road division, the acquisition will establish a combined network based on Schenker's strong position in Europe, especially in Germany, which will add to the significant commercial and operational synergies. For the Solutions division, Schenker provides additional warehousing capacity of approx. 8.5 million square metres to DSV, bringing the total capacity to approximately 17.5 million square metres across more than 60 countries, significantly expanding the customer offerings.

The transaction is expected to be EPS accretive (diluted and adjusted) in year 2 after closing of the transaction, and it is DSV's aspiration to lift the operating margin of the combined entity to a minimum of DSV's current levels within the respective business areas in year 3 after closing of the transaction.

Following the closing of the transaction, further details on the impact of the acquisition will be disclosed, including estimates and timing of synergies and integration costs. The transaction is not expected to have an impact on DSV's results in 2024, and therefore DSV's stand-alone 2024 guidance remains unchanged. DSV's stand-alone long term financial targets for 2026 also remain unchanged until closing of the transaction.

About Deutsche Bahn AG

The DB Group is a leading provider in the mobility and logistics sector. The DB Group essentially consists of the rail system group and the major international subsidiary DB Schenker. The "Systemverbund Bahn" comprises the passenger transport activities in Germany, the rail freight activities, the operational service units and the railroad infrastructure companies. The DB Group, headquartered in Berlin, employs around 340,000 people. The focus of its business activities is on rail transportation in Germany.

About Schenker

With around 72,700 employees at more than 1,850 locations in over 70 countries, DB Schenker is one of the world's leading logistics service providers. The company operates land, air, and ocean transportation services, and it also offers comprehensive logistics and global supply chain management solutions from a single source. Aiming for a sustainable future of the logistics industry, DB Schenker continuously invests in innovative transport solutions, renewable energies, and low-emission products for its customers.

About DSV

DSV provide and manage supply chain solutions and transport solutions for thousands of companies every day – from the small family-run business to the large global corporation, based on a global network and local presence. Approximately 74,000 employees in more than 80 countries work passionately to deliver great customer experiences and high-quality services. In the financial year 2023, the company reported a revenue of around DKK 151 billion and an EBIT before special items of DKK 17.7 billion.

Conference call

DSV invites analysts and investors to participate in a [teleconference](#) on 13 September 2024 at 12:30 p.m. CEST. A presentation will be available at the DSV website www.investor.dsv.com before the conference call.

At the conference call, Jens H. Lund, CEO, and Michael Ebbe, CFO, will present the transaction. Participants will have the opportunity to ask questions after the presentation.

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The telephone numbers for the teleconference are:

DK +45 78 76 84 90
DE +49 406 752 9380
UK +44 (0) 203 769 6819
US +1 646 787 0157

No prior registration is required to attend the teleconference.

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Yours sincerely,
DSV

Forward-looking statements

This announcement contains forward-looking statements, including but not limited to guidance, expectations, strategies, objectives and statements regarding DSV's views of future events or prospects with respect to DSV's future financial and operating results, performance or achievements. Some of these forward-looking statements can be identified by terms and phrases such as "estimate," "expect", "target", "plan", "project", "intend", "will be", "will continue", "will result", "could", "may", "might" or any variations of such words or other words with similar meanings. These forward-looking statements include statements relating to: the expected characteristics of the combined company; 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 DSV's then current expectations or 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 and are subject to the risk that such expectations or forecasts, or the assumptions underlying such expectations or forecasts, may change. DSV assumes no obligations to update any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements. Some important risks and uncertainties that could cause DSV's actual results to differ materially from those expressed in the forward-looking statements include but are not limited to: the ability of DSV to integrate Schenker's business into DSV's operations; the performance of the global economy; economic and geopolitical uncertainty (including interest rates and exchange rates); demand for DSV's services; competition; IT failures; litigation; pandemics; the capacity for growth in internet and technology usage; the consolidation and convergence of the logistics and transport 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 Deutsche Bahn ("DB")) 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 DB's public disclosures and other unforeseen factors. The nature of DSV's business means that risk factors and uncertainties may arise, and it may not be possible for DSV to predict all such risk factors, nor to assess the impact of all such risk factors on DSV's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results. The forward-looking statements should be read in conjunction with other cautionary statements that are included elsewhere, including the risk factors included in any public disclosures of DSV or DB. 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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