

FULL-YEAR 2021 RESULTS

DSV A/S

Conference call

9 February 2022, 12:30 PM CET



DSV

Forward-looking statements

This presentation contains forward-looking statements.

Such statements are subject to risks and uncertainties, as various factors, many of which are beyond DSV A/S' control, may cause actual developments and results to differ materially from the expectations contained in the presentation.



Agenda

1 Highlights

2 Update on
integration of
Agility GIL

3 Business
segments

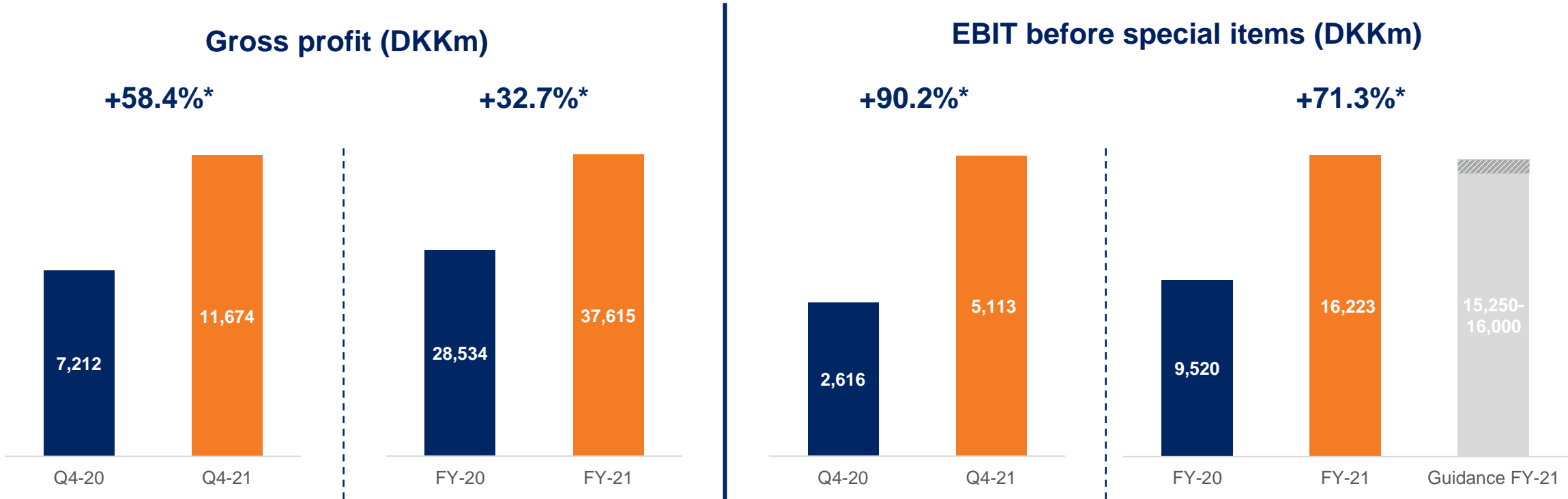
4 Financial
review

5 Outlook for
2022 and revised
financial targets

6 Q&A

Highlights

- Congestion and tight capacity continue to characterise transport markets.
- Agility GIL integration is progressing well.
- 2022 EBIT guidance of **DKK 18,000 - 20,000 million** and updated financial targets.
- EPS growth > 20% annually for the past 10 years.



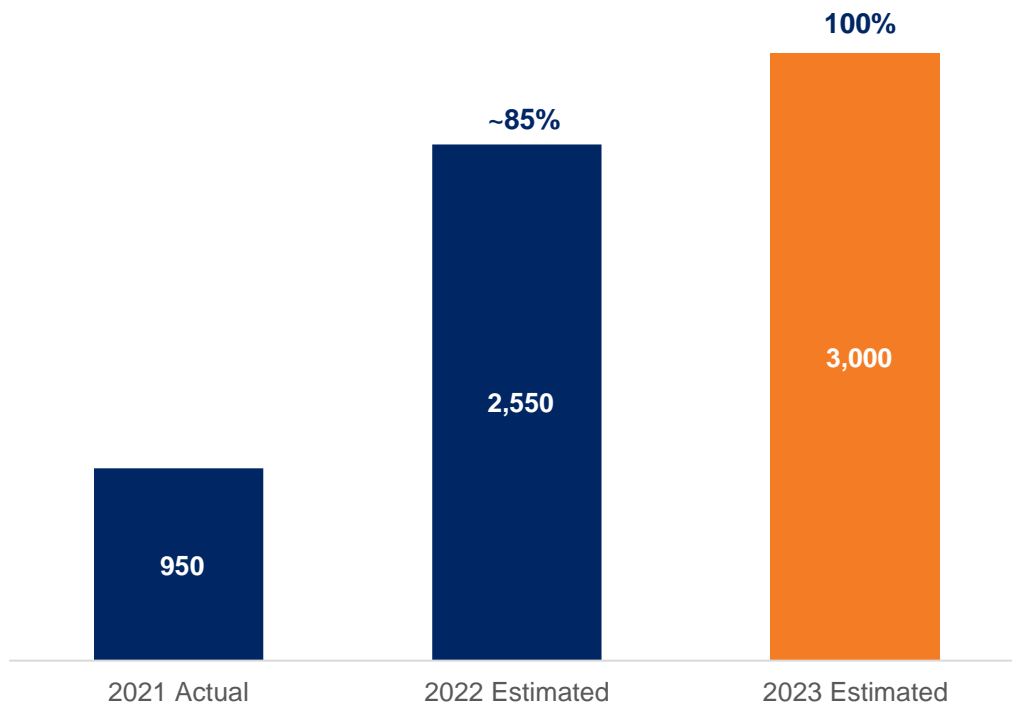
*) Growth rates are in constant currencies and including M&A.

Update on Agility GIL integration

Expected completed in Q3 2022



Estimated EBIT impact of GIL (DKKm)



Integration and EBIT impact

- Once fully integrated, GIL is expected to contribute approx. **DKK 3,000 million** to the combined EBIT before special items on an annual basis.
- As of 1 February 2022, **39 of 63 GIL countries** had been onboarded to DSV's Air & Sea platform (representing approximately 75% of GIL revenue).
- We expect to complete the integration in Q3 2022.

Integration cost

- Transaction and integration costs are expected in the level of **DKK 1,000 million in 2022**.

Air & Sea

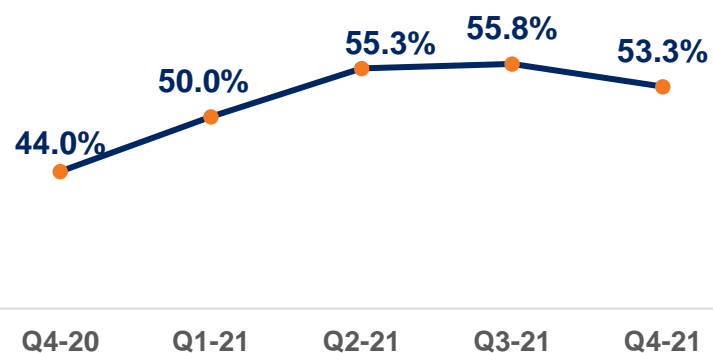
(DKKm)	Q4 2021	Q4 2020	Growth*	FY 2021	FY 2020	Growth*
Revenue	46,168	19,961	126.6%	131,901	73,689	81.6%
Gross profit 	4,063	2,529	57.1%	13,051	10,275	28.5%
Gross profit 	3,462	1,539	118.0%	10,718	6,634	63.9%
Total gross profit	7,525	4,068	80.2%	23,769	16,909	42.3%
EBIT	4,011	1,790	117.2%	12,768	7,026	83.5%

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

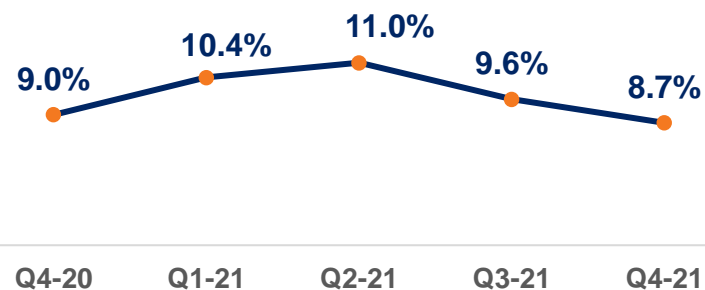
Management commentary

- Significant EBIT growth driven by strong gross profit growth and continued cost discipline.
- GIL contributed positively to both revenue, GP and EBIT growth.
- Constrained market situation impacts gross profit yields positively, but each shipment consumes extra time for our staff.
- Conversion ratio at record level, confirming the scalability of our infrastructure. This is reflected in the new 2026 target of >50%.

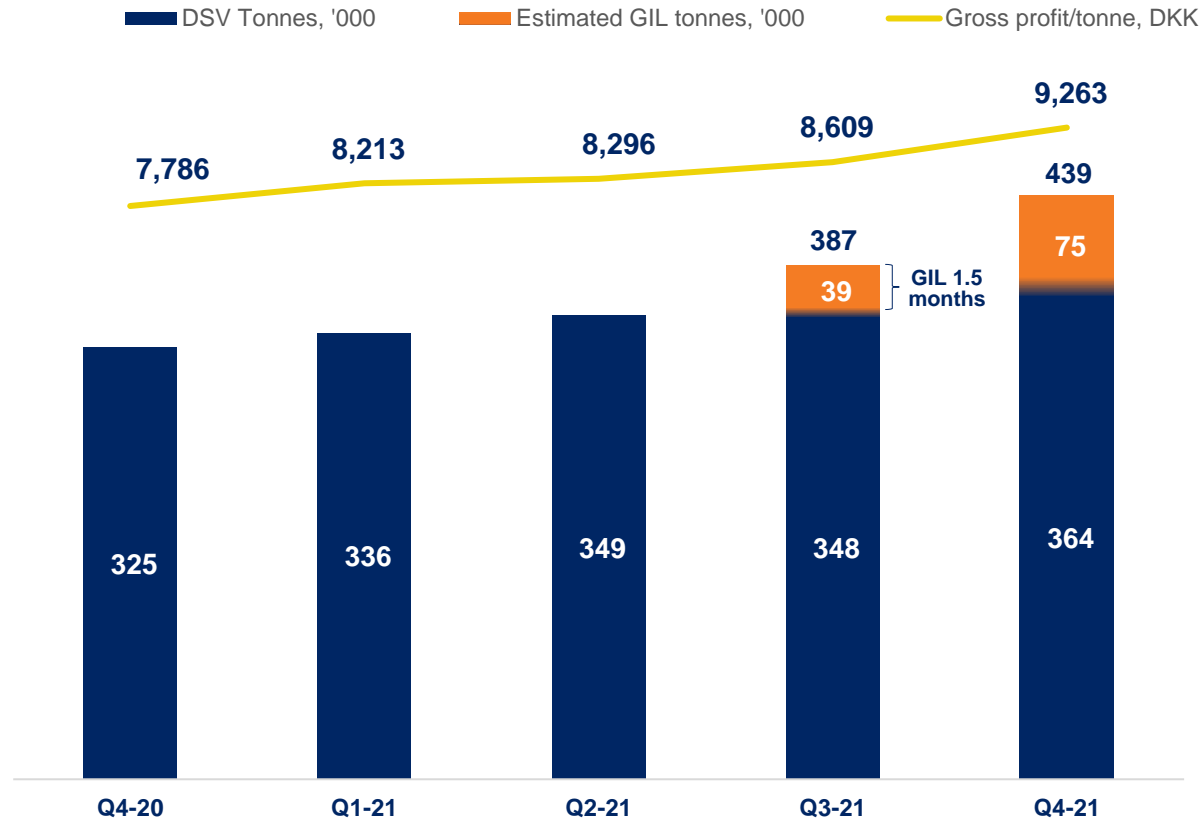
Conversion ratio



Operating margin



Air freight Q4 2021



Volume growth air

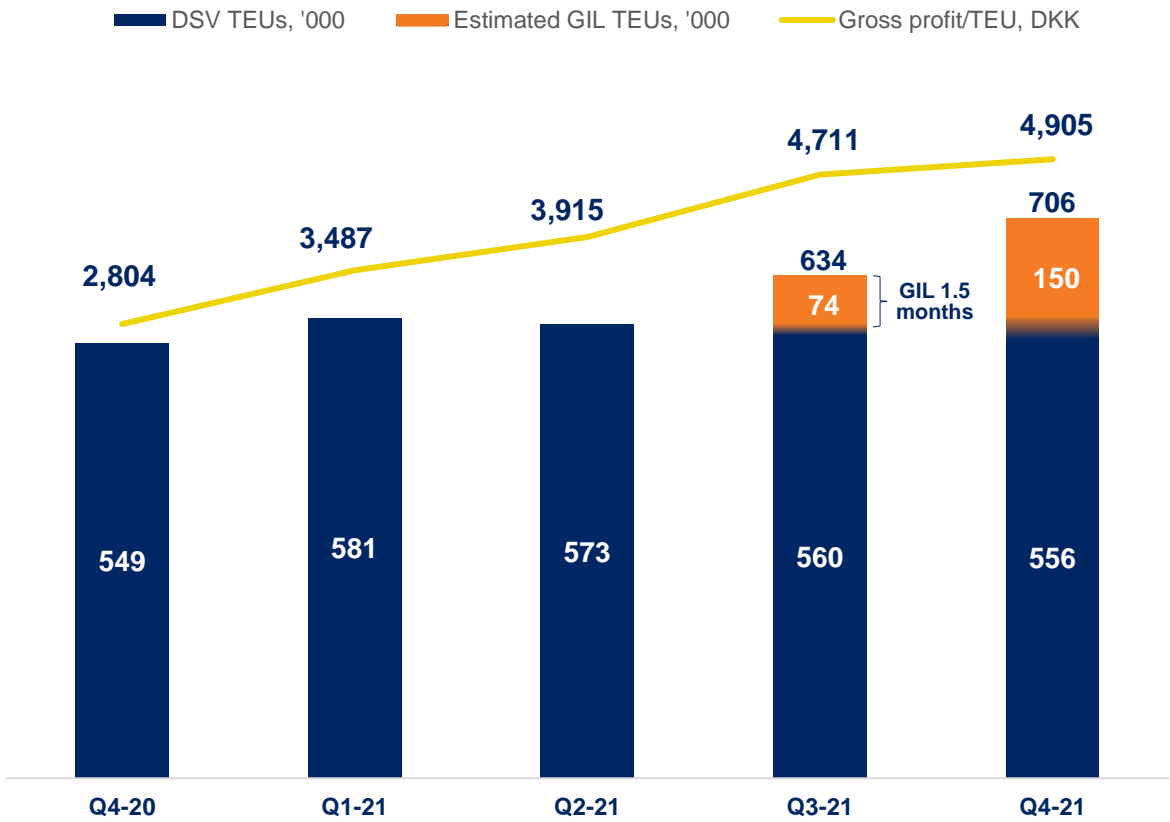
DSV (including M&A)*	(21%)	(2%)	26%	29%	35%
Market estimate	(8-10%)	3-5%	25-30%	15-20%	10-15%

*) Air freight growth in the period Q4-20 to Q2-21 is adjusted for discontinued business

Management commentary

- Gross profit yield positively impacted by the market situation.
- We estimate that DSV's organic growth in Q4-21 was in line with the market.
- Charter network now represents approx. 12% of total volume.
- The current market conditions are likely to last well into 2022.

Sea freight Q4 2021



Volume growth sea

	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21
DSV (including M&A)	(14%)	1%	12%	12%	29%
Market estimate	3-5%	5-7%	10-15%	0%	(3-0%)

Management commentary

- Record-high yield level in Q3-21, impacted by market conditions.
- Negative market growth in Q4-21 due to congestion/capacity constraints.
- Excluding estimated GIL impact DSV's volumes were above estimated market growth.
- Assuming that demand holds up, the current market conditions are likely to last well into 2022.

Road

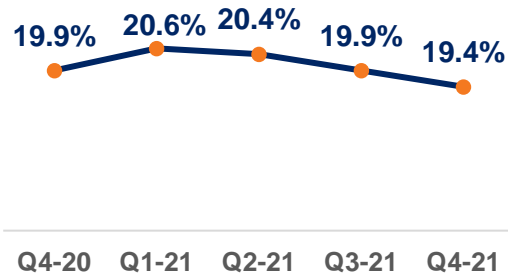
(DKKm)		Q4 2021	Q4 2020	Growth*	FY 2021	FY 2020	Growth*
Revenue		9,914	7,966	23.0%	35,416	30,395	16.2%
Gross profit		1,925	1,587	19.6%	7,095	6,138	15.1%
EBIT		513	420	19.3%	1,857	1,390	32.6%

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

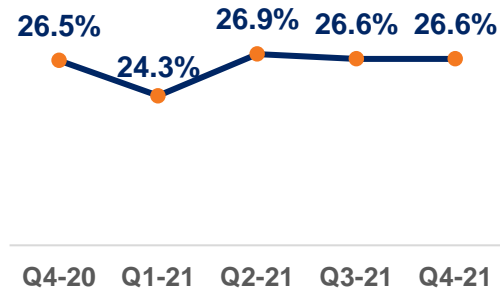
Management commentary

- Significant EBIT growth driven by strong gross profit growth and continued cost discipline.
- DSV Road has benefitted from the strong network and gained market share in 2021.
- Market is characterised by high activity level, tight capacity and increasing rates. EU mobility package will lead to further rate increases in 2022.
- Road Way Forward project is progressing according to plan.

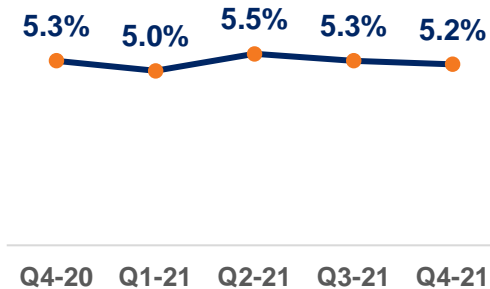
Gross margin






Conversion ratio



Operating margin



Solutions

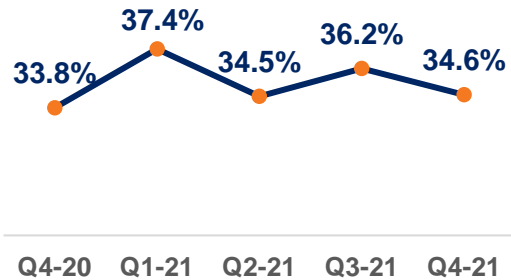
(DKKm)		Q4 2021	Q4 2020	Growth*	FY 2021	FY 2020	Growth*
Revenue		6,389	4,523	38.7%	18,734	14,608	28.4%
Gross profit		2,211	1,529	42.0%	6,653	5,369	23.9%
EBIT		748	456	62.6%	1,775	1,161	51.3%

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

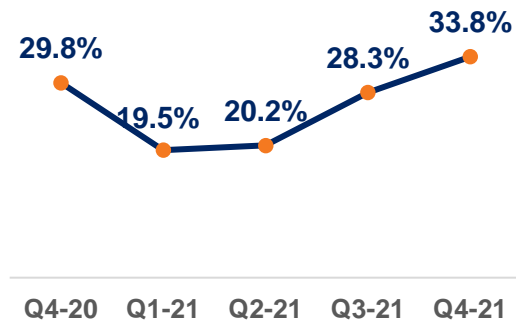
Management commentary

- Significant EBIT growth driven by strong gross profit growth and continued cost discipline.
- We continue to see activity growth across most industries and high utilisation of capacity.
- Strong EBIT contribution from GIL activities.

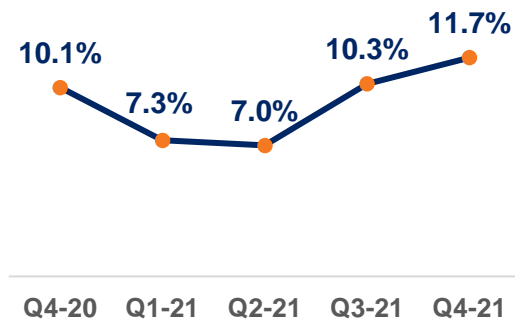
Gross margin



Conversion ratio



Operating margin



P&L 2021

(DKKm)	Q4 2021	Q4 2020	Growth*	FY 2021	FY 2020	Growth*
Headlines						
Revenue	61,302	31,716	89.8%	182,306	115,932	58.6%
Gross profit	11,674	7,212	58.4%	37,615	28,534	32.7%
EBIT before special items	5,113	2,616	90.2%	16,223	9,520	71.3%
Profit for the period	3,237	1,200		11,254	4,258	
P&L items						
Cost base (staff, other ext., depreciations)	6,561	4,596		21,392	19,014	
Special items, costs	324	685		478	2,164	
Financial items, FX adjustments	204	258		56	1,055	
Financial items, other	198	174		785	674	
KPIs						
Gross margin (%)	19.0	22.7		20.6	24.6	
Operating margin (%)	8.3	8.2		8.9	8.2	
Conversion ratio (%)	43.8	36.3		43.1	33.4	
Effective tax rate (%)	26.2	19.9		24.5	24.3	
Employees (end of period)				77,958	56,621	
Diluted adjusted EPS 12 months				50.9	26.5	92.1%

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

Management commentary

- Q4 2021 was the first quarter with full GIL impact.
- Revenue growth driven by higher activity and higher freight rates.
- Strong growth in absolute gross profit. Gross margin declined due to high freight rates.
- Conversion ratio at record level. We are starting to see signs of higher cost inflation.
- Increase in number of employees was mainly related to M&A, but also the general increase in activity.

Cash flow 2021

(DKKm)	FY 2021	FY 2020	Variance
EBITDA before special items	20,417	13,559	6,858
Change in working capital	(4,604)	209	(4,813)
Tax, interest, change in provisions, etc.	(2,783)	(1,548)	(1,235)
Special items	(828)	(1,944)	1,116
Cash flow from operating activities	12,202	10,276	1,926
Cash flow from investing activities	420	(556)	976
Free cash flow	12,622	9,720	2,902
Adjusted free cash flow:			
Free cash flow	12,622	9,720	
Acquisition of subsidiaries and activities reversed	(1,631)	140	
Special items reversed	828	1,944	
Repayment of lease liabilities	(3,160)	(3,058)	
Adjusted free cash flow	8,659	8,746	(87)
KPIs			
Net working capital (NWC)	8,031	2,701	
NWC in % of revenue (pro-forma)	3.5	2.3	
Net interest-bearing debt (NIBD)	29,245	18,189	
Gearing ratio (NIBD/EBITDA before special items)	1.4	1.3	
ROIC before tax (%)	19.6	14.3	
ROIC before tax (excl. goodwill and customer relationships, %)	77.9	56.0	

Management commentary

- NWC was impacted by higher activity levels and record-high freight rates, as well as the inclusion of GIL.
 - Air & Sea revenue growth of 126.6% in Q4-21.
- Adjusted NWC represents 3.5% of full-year revenue. We see no increase in overdue receivables.
- Cash flow from investing activities was impacted by cash position in GIL.
- Corporate bonds totalling EUR 1,600 million with a duration of 10-15 years issued in 2021.
- The weighted average duration of corporate bonds, committed loans and credit facilities was 9.6 years at year-end 2021 (2020: 3.2 years)

Share buyback and dividend

Management commentary

- New share buyback programme of DKK 2.5 billion starting 9 February 2022 and running until 26 April 2022.
- 13.3 million shares bought back in 2021 at an average price of DKK 1,341.
- On 8 February 2022, the portfolio of treasury shares was 6.6 million shares.
- Planned proposal at next AGM to reduce the share capital by 6 million shares.

Allocations to shareholders 2021 and 2022 (DKKm)	Actual 2021	Q1-2022	Q2-2022	Announced 2022
Dividend for 2020 (DKK 4.00 per share)	920			
Proposed dividend 2021 (DKK 5.50 per share)		1,320		1,320
Share buyback – rest of 2020 programme	6,000			
Share buyback – 4.0 billion	4,000			
Share buyback – 4.0 billion	4,000			
Share buyback – 5.0 billion	3,841	1,159		1,159
Share buyback – 2.5 billion (estimated quarterly split)		1,650	850	2,500
Total announced allocations	18,761	4,129	850	4,979

Outlook 2022




(DKKm)	Outlook 2022	Actual 2021
EBIT before special items	18,000-20,000	16,223
Effective tax rate	23.0%	24.5%

Main assumptions

- Global economic growth around 4% in 2022. We expect growth rates in the transport markets to be in line with economic growth.
- Congestion, tight capacity and high rate levels will continue in the first half of 2022. A gradual improvement could start during the second half of the year.
- Additional EBIT impact from GIL of approx. 1,600 million in 2022.
- Special items (integration costs) is expected to be approx. 1,000 million in 2022.
- Currency exchange rates will remain at the current level.
- Due to the volatile and unpredictable freight markets, the assumptions are more uncertain than they would normally be.

2026 financial targets

We have executed on our growth strategy and upgrade our targets

	FY 2021 actual	Previous 2025 targets	New 2026 targets	Assumptions
DSV Group				<p>Assumptions</p> <ul style="list-style-type: none"> Annual GDP growth around 3% and transport market growth on the same level. We expect to gain market share in all divisions. For the five-year period, we have assumed that gross profit yields for air and sea will gradually decline. Targets are based on organic growth, excluding the potential impact from large acquisitions. Effective tax rate of approx. 23%. Net CAPEX: 0.5-0.75% of revenue. NWC around 3% of net revenue, measured at year end. Gearing ratio target: NIBD below 2.0x EBITDA before special items.
Conversion ratio	43.1%	>40.0%	>45.0%	
ROIC (before tax)	19.6%	>20.0%	>20.0%	
Divisional conversion ratios				
Air & Sea 	53.7%	>47.5%	>50.0%	
Road 	26.2%	>30.0%	>30.0%	
Solutions 	26.7%	>30.0%	>30.0%	

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

Financial calendar 2022

Please save the date for Capital Markets Day – more information will follow

17 Mar. 2022	Annual General Meeting, 2022
27 Apr. 2022	Interim Financial Report, First Quarter 2022
31 May 2022	Capital Markets Day 2022
26 Jul. 2022	Interim Financial Report, Second Quarter 2022
25 Oct. 2022	Interim Financial Report, Third Quarter 2022

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



P&L details

DSV Group

(DKKm)	FY 2018	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
Revenue	79,053	94,701	27,309	28,782	28,125	31,716	115,932	33,616	37,831	49,557	61,302	182,306
Direct costs	61,564	70,947	20,625	21,396	20,873	24,504	87,398	25,831	29,498	39,734	49,628	144,691
Gross profit	17,489	23,754	6,684	7,386	7,252	7,212	28,534	7,785	8,333	9,823	11,674	37,615
Other external expenses	3,036	3,133	867	795	831	798	3,291	849	818	1,030	1,476	4,173
Staff costs	8,241	10,329	3,213	2,925	2,708	2,838	11,684	2,920	2,970	3,277	3,858	13,025
EBITDA before special items	6,212	10,292	2,604	3,666	3,713	3,576	13,559	4,016	4,545	5,516	6,340	20,417
Depreciation of right-of-use assets	-	2,734	798	777	723	692	2,990	752	730	771	891	3,144
Amortisation and depreciation of owned assets	762	904	240	276	265	268	1,049	197	244	273	336	1,050
EBIT before special items	5,450	6,654	1,566	2,613	2,725	2,616	9,520	3,067	3,571	4,472	5,113	16,223
Special Items, net costs	-	800	511	515	453	685	2,164	-	-	154	324	478
Financial income	-	131	65	91	58	40	254	208	(16)	119	(105)	206
Financial expenses - lease liabilities	-	383	114	95	109	116	434	119	108	125	143	495
Financial expenses	249	606	548	218	427	356	1,549	110	129	159	154	552
Profit before tax	5,201	4,996	458	1,876	1,794	1,499	5,627	3,046	3,318	4,153	4,387	14,904
Tax on profit for the period	1,213	1,290	127	486	457	299	1,369	717	791	992	1,150	3,650
Profit for the period	3,988	3,706	331	1,390	1,337	1,200	4,258	2,329	2,527	3,161	3,237	11,254
<i>Gross margin, %</i>	22.1	25.1	24.5	25.7	25.8	22.7	24.6	23.2	22.0	19.8	19.0	20.6
<i>Operating margin, %</i>	6.9	7.0	5.7	9.1	9.7	8.2	8.2	9.1	9.4	9.0	8.3	8.9
<i>Conversion ratio, %</i>	31.2	28.0	23.4	35.4	37.6	36.3	33.4	39.4	42.9	45.5	43.8	43.1
<i>Effective tax rate, %</i>	23.3	25.8	27.7	25.9	25.5	19.9	24.3	23.5	23.8	23.9	26.2	24.5
<i>Blue-collar costs (included in direct costs)</i>	4,791	5,299	1,411	1,132	1,282	1,449	5,274	1,405	1,457	1,553	1,865	6,280
Number of full-time employees	47,394	61,216	58,788	53,399	56,090	56,621	56,621	57,642	59,871	79,325	77,958	77,958

P&L details

Air & Sea

(DKKm)	FY 2018	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
Divisional revenue	36,972	51,151	16,674	19,144	17,910	19,961	73,689	22,924	25,948	36,861	46,168	131,901
Direct costs	27,779	38,634	12,799	14,481	13,607	15,893	56,780	18,136	20,806	30,547	38,643	108,132
Gross profit	9,193	12,517	3,875	4,663	4,303	4,068	16,909	4,788	5,142	6,314	7,525	23,769
Other external expenses	1,854	2,267	797	736	692	645	2,870	753	663	814	1,136	3,366
Staff costs	3,560	5,093	1,679	1,530	1,394	1,445	6,048	1,445	1,435	1,698	2,020	6,598
EBITDA before special items	3,779	5,157	1,399	2,397	2,217	1,978	7,991	2,590	3,044	3,802	4,369	13,805
Depreciation of right-of-use assets	-	484	211	190	151	127	679	136	144	189	239	708
Amortisation and depreciation of owned assets	86	167	58	95	72	61	286	61	57	92	119	329
EBIT before special items	3,693	4,506	1,130	2,112	1,994	1,790	7,026	2,393	2,843	3,521	4,011	12,768
<i>Gross margin, %</i>	<i>24.9</i>	<i>24.5</i>	<i>23.2</i>	<i>24.4</i>	<i>24.0</i>	<i>20.4</i>	<i>22.9</i>	<i>20.9</i>	<i>19.8</i>	<i>17.1</i>	<i>16.3</i>	<i>18.0</i>
<i>Operating margin, %</i>	<i>10.0</i>	<i>8.8</i>	<i>6.8</i>	<i>11.0</i>	<i>11.1</i>	<i>9.0</i>	<i>9.5</i>	<i>10.4</i>	<i>11.0</i>	<i>9.6</i>	<i>8.7</i>	<i>9.7</i>
<i>Conversion ratio, %</i>	<i>40.2</i>	<i>36.0</i>	<i>29.2</i>	<i>45.3</i>	<i>46.3</i>	<i>44.0</i>	<i>41.6</i>	<i>50.0</i>	<i>55.3</i>	<i>55.8</i>	<i>53.3</i>	<i>53.7</i>
Number of full-time employees	12,130	21,516	20,610	18,723	18,067	18,008	18,008	17,999	18,067	25,742	24,675	24,675
<i>Air</i>												
Revenue, DKKm	18,892	27,134	9,530	12,057	10,296	12,873	44,756	12,975	14,197	18,399	25,275	70,846
Gross profit, DKKm	4,627	6,594	2,153	3,015	2,578	2,529	10,275	2,762	2,897	3,329	4,063	13,051
Air freight, tonnes	689,045	1,071,266	359,975	287,452	300,147	324,831	1,272,405	336,307	349,210	386,702	438,614	1,510,833
GP/tonne, DKK	6,715	6,155	5,981	10,489	8,589	7,786	8,075	8,213	8,296	8,609	9,263	8,638
<i>Sea</i>												
Revenue, DKKm	18,080	24,017	7,144	7,087	7,614	7,088	28,933	9,949	11,751	18,462	20,893	61,055
Gross profit, DKKm	4,566	5,923	1,722	1,648	1,725	1,539	6,634	2,026	2,245	2,985	3,462	10,718
Sea freight, TEUs	1,442,348	1,907,126	575,814	512,138	568,130	548,820	2,204,902	581,019	573,385	633,690	705,857	2,493,951
GP/TEU, DKK	3,166	3,106	2,991	3,218	3,036	2,804	3,009	3,487	3,915	4,711	4,905	4,298

P&L details

Road

(DKK M)	FY 2018	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
Divisional revenue	31,243	31,621	7,921	6,987	7,521	7,966	30,395	8,056	8,663	8,783	9,914	35,416
Direct costs	25,935	25,465	6,386	5,556	5,936	6,379	24,257	6,399	6,895	7,038	7,989	28,321
Gross profit	5,308	6,156	1,535	1,431	1,585	1,587	6,138	1,657	1,768	1,745	1,925	7,095
Other external expenses	1,326	1,060	287	242	251	241	1,021	258	272	282	310	1,122
Staff costs	2,706	2,864	757	686	650	706	2,799	742	779	761	867	3,149
EBITDA before special items	1,276	2,232	491	503	684	640	2,318	657	717	702	748	2,824
Depreciation of right-of-use assets	-	862	206	209	211	202	828	236	220	196	206	858
Amortisation and depreciation of owned assets	129	119	26	31	25	18	100	18	21	41	29	109
EBIT before special items	1,147	1,251	259	263	448	420	1,390	403	476	465	513	1,857
<i>Gross margin, %</i>	17.0	19.5	19.4	20.5	21.1	19.9	20.2	20.6	20.4	19.9	19.4	20.0
<i>Operating margin, %</i>	3.7	4.0	3.3	3.8	6.0	5.3	4.6	5.0	5.5	5.3	5.2	5.2
<i>Conversion ratio, %</i>	21.6	20.3	16.9	18.4	28.3	26.5	22.6	24.3	26.9	26.6	26.6	26.2
Number of full-time employees	12,850	13,644	15,200	13,408	14,090	14,003	14,003	14,222	15,503	16,942	16,888	16,888

Solutions

Divisional revenue	13,229	14,390	3,441	3,256	3,388	4,523	14,608	3,609	3,997	4,739	6,389	18,734
Direct costs	10,194	9,421	2,185	1,985	2,075	2,994	9,239	2,261	2,620	3,022	4,178	12,081
Gross profit	3,035	4,969	1,256	1,271	1,313	1,529	5,369	1,348	1,377	1,717	2,211	6,653
Other external expenses	955	1,088	289	244	255	301	1,089	281	297	348	412	1,338
Staff costs	1,141	1,306	385	365	344	355	1,449	377	377	418	492	1,664
EBITDA before special items	939	2,575	582	662	714	873	2,831	690	703	951	1,307	3,651
Depreciation of right-of-use assets	-	1,326	364	361	342	355	1,422	369	359	378	440	1,546
Amortisation and depreciation of owned assets	230	236	59	67	60	62	248	58	66	87	119	330
EBIT before special items	709	1,013	159	234	312	456	1,161	263	278	486	748	1,775
<i>Gross margin, %</i>	22.9	34.5	36.5	39.0	38.8	33.8	36.8	37.4	34.5	36.2	34.6	35.5
<i>Operating margin, %</i>	5.4	7.0	4.6	7.2	9.2	10.1	7.9	7.3	7.0	10.3	11.7	9.5
<i>Conversion ratio, %</i>	23.4	20.4	12.7	18.4	23.8	29.8	21.6	19.5	20.2	28.3	33.8	26.7
Number of full-time employees	20,025	22,777	20,079	18,428	21,039	21,478	21,478	22,188	22,814	32,007	31,866	31,866

Investor contact information

Share information



DSV A/S is listed on the Copenhagen stock exchange under the symbol 'DSV'.

For further company information, please visit: www.dsv.com

Financial calendar 2022



17 Mar. 2022 Annual General Meeting, 2022

27 Apr. 2022 Interim Financial Report, First Quarter 2022

31 May 2022 Capital Markets Day 2022

26 Jul. 2022 Interim Financial Report, H1 2022

25 Oct. 2022 Interim Financial Report, Third Quarter 2022

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