

Research Update:

DSV A/S Outlook Revised To Stable On Schenker's Integration Progress And Expected Deleveraging; 'A-' Ratings Affirmed

May 11, 2026

Rating Action Overview

- Denmark-based logistics services provider DSV A/S continues to integrate Germany-based logistics company Schenker AG, acquired on April 30, 2025, well ahead of schedule. Furthermore, in 2025, the combined group generated significant free operating cash flow (FOCF) and used it to repay debt.
- We expect DSV's FOCF to remain clearly positive this year (albeit somewhat below 2025 levels in part because of the accelerated integration and related costs) and increase from 2027, while the group will continue using it to lower debt, so that S&P Global Ratings-adjusted funds from operations (FFO) to debt recovers to at least 45%, the threshold commensurate with the current rating.
- We also acknowledge DSV's transparent financial policy, as well as its shareholder remuneration that is contingent on the group adhering to its clearly communicated, company-defined financial gearing target of less than 2.0x (it was 2.8x as of March 31, 2026).
- We therefore revised our outlook on DSV to stable from negative and affirmed our 'A-' long-term issuer and issue credit ratings on the group and its senior unsecured notes.
- The stable outlook reflects our expectation that DSV will achieve its 2026-2028 weighted-average adjusted FFO to debt of at least 45%, underpinned by ramp-up in synergies from Schenker's acquisition, solid FOCF, and prioritization of debt reduction.

Rating Action Rationale

DSV is rapidly advancing its integration of Schenker, the largest acquisition in the group's history, and we expect it will continue expanding its adjusted EBITDA. The world's largest third-party logistics provider had completed more than 30% of the integration by the end of 2025 (versus 15% originally planned), about 45% by the end of first-quarter 2026, and expects now to finalize the integration by the end of 2026, one year ahead of schedule. The acceleration had

Primary Contact

Aliaksandra Vashkevich
Frankfurt
49-693-399-9178
Aliaksandra.Vashkevich
@spglobal.com

Secondary Contact

Izabela Listowska
Frankfurt
49-693-399-9127
izabela.listowska
@spglobal.com

been accompanied by higher integration and transaction costs in 2025 of about Danish krone (DKK) 4.5 billion (€600 million) and DKK6.5 billion expected this year, while the DKK11 billion in integration costs initially planned is unchanged. The integration has already resulted in the layoff of more than 7,000 white-collar employees since the process began, reflecting early cost synergies. Also, DSV has maintained strong customer satisfaction and retention throughout the integration. In 2025, the group realized DKK800 million in acquisition-related synergies and expects at least DKK4 billion in incremental synergies this year, with the full annual synergies' potential of DKK9 billion expected in 2027, which is part of our base-case scenario. Having more certainty now in the timing and magnitude of synergies and integration costs from the acquisition, we expect the group's S&P Global Ratings-adjusted EBITDA (including special items) to increase to DKK28 billion-DKK29 billion in 2026, from DKK24 billion (including Schenker's consolidation started May 1, 2025) in 2025, and to DKK40 billion-DKK41 billion in 2027. Our 2026 EBITDA projection is below the DKK33 billion-DKK35 billion forecast of December 2025, because we now assume all remaining integration costs will be incurred in 2026, while we raised our 2027 forecast (from DKK37 billion-DKK39 billion previously). We also base our forecast on our view that DSV will limit the potential risks from the Iran war. Our base-case scenario assumes the U.S. and Iran will reach an agreement that eases the effective blockage of the Strait of Hormuz, allowing meaningful oil and product flows to resume by the end of May without further material damage to critical energy infrastructure. However, we expect any reopening to be fragile, with the risk of intermittent disruptions. Moreover, even if the strait were to open fully, oil and gas supply would take several months to return to normal, reflecting operational bottlenecks, damage repair, crew and vessel dislocation, and risk aversion across shipping and insurance markets. As a result, energy prices are likely to remain higher than before the conflict, even if the most acute phase of market stress fades. Further underpinning our forecast is DSV's scale and scope, which the group has significantly expanded with Schenker's acquisition. It has become a global leader in third-party logistics by revenue, offering transport and logistics services thanks to a broad global transport and logistics network. We also consider DSV's contractual protection from direct fuel price risk with contracts, including fuel escalation clauses.

We expect the group's FOCF to remain solid this year and increase from 2027. In 2025, post-Schenker consolidation, DSV's FOCF before lease amortizations increased to DKK19.1 billion from DKK8.8 billion in 2024, as the group maintained a high EBITDA cash conversion ratio and moderate capital expenditure (capex) given its asset-light business model. DSV's FOCF in 2025 was boosted by Schenker's acquisition, including a DKK5.8 billion working capital inflow, which we expect to largely reverse this year reflecting normalization in net working capital toward 2.0%-2.5% of the group's revenue under our forecast. Additionally, the accelerated integration, with the remaining integration costs of DKK6.5 billion, will likely constrain DSV's FOCF at DKK11 billion-DKK12 billion this year. However, we expect it will increase significantly to DKK27 billion-DKK28 billion in 2027, mirroring the EBITDA trends.

We expect DSV to continue using FOCF for debt reduction so that its 2026-2028 weighted-average FFO to debt reaches at least 45%, the rating commensurate threshold. DSV had paid off about DKK8 billion of debt since the start of the Schenker integration and decreased net interest-bearing debt by about DKK700 million from the beginning of the year. We expect the group to continue deleveraging towards S&P Global Ratings-adjusted debt decreasing to DKK65 billion-DKK70 billion by 2027-end from DKK91.3 billion at year-end 2025. The reduction in debt should support improved adjusted FFO to debt to at least 45% in 2027, according to our base-case scenario, from about 25% we forecast in 2026, depressed by the accelerated integration's costs, which will not recur in 2027. We also expect DSV to sustain this, underpinned by its

historical track record of strong and resilient FOCF generation and our expectation that the group will maintain a disciplined shareholder remuneration policy to support the 'A-' rating. While we understand that DSV maintains continuous moderate dividend payments (with about DKK1.7 billion paid in first-quarter 2026), the resumption of its share buyback program, temporarily paused due to Schenker's leverage-accretive acquisition, is closely tied to its net debt to EBITDA ("gearing" as defined by DSV) target of below 2.0x.

Schenker significantly expands DSV's scale and scope. Although temporarily margin-dilutive, we think that, based on its strong profitability track record, DSV will likely restore combined group margins to its previous industry-leading averages over the medium term. The combined entity has become a new global leader in third-party logistics, with Schenker adding large volumes to DSV's air- and sea-freight forwarding business and strengthening its presence in European road freight, the latter typically being a lower-margin sector. This, combined with DSV's established track record of successfully integrating logistics companies and Schenker's business model similarities, is enabling a relatively smooth integration ahead of schedule. We currently view the transaction as business profile neutral for DSV. However, we will review our assessment once we have more certainty if DSV is able to lift profitability, such that the combined group reaches reported EBIT margins (before special items) consistent with DSV's historical industry-leading average of at least 10% (9.6% in 2024, 11.8% in 2023, and 10.7% in 2022) versus 6%-7% in 2025.

Outlook

The stable outlook reflects our expectation that DSV will achieve its 2026-2028 weighted-average adjusted FFO to debt of at least 45%, underpinned by ramp-up in synergies from Schenker's acquisition, solid FOCF, and prioritization of debt reduction.

Downside scenario

We could lower the rating if weighted-average adjusted FFO to debt appears to trend significantly below 45%, with limited prospects for recovery. This could stem, for example, from fading industry fundamentals that lead to stalling organic growth and deteriorating profitability. Additional unexpected leveraging transactions that indicated a deviation from management's financial policy and commitment to rapidly reduce debt could also trigger a downgrade.

Upside scenario

We could raise the rating if the group expands its revenue- and EBITDA base, while improving and sustaining its EBIT margins consistent with DSV's historical industry leading averages, while adhering to its "gearing" target (as defined by DSV) of below 2.0x. We could also raise the rating if DSV's adjusted FFO-to-debt ratio improves beyond 60% because, for example, it consistently uses FOCF to reduce debt while adjusting its financial policy to ensure that such a ratio level is sustainable.

Company Description

Following the Schenker acquisition, Denmark-based DSV became the No.1 third-party logistics services provider worldwide, as measured by revenue, ahead of Germany-based DHL Logistics and Switzerland-based Kuehne + Nagel. Schenker adds large volumes to DSV's air and sea freight forwarding business and strengthens its presence in European road freight, offering transport

and logistics services that support the entire supply chain. The company operates an asset-light business model by booking the transportation of shipments from trucking, railroad, ocean shipping, and air freight firms. DSV is listed on the Copenhagen Stock Exchange and generated revenue of about DKK 247.3 billion in 2025 with a total workforce of approximately 152,000 employees.

Liquidity

We view DSV's liquidity as strong, supported by its solid cash flow, full availability under its credit lines, and medium-term debt maturity profile. We exclude the share buybacks from our calculation of uses of liquidity, because we view them as discretionary and would not expect them to go ahead under a stress scenario.

We also think that net sources would remain positive even if EBITDA declined by 30% and that DSV will maintain significant headroom under its gearing covenant to support a strong liquidity assessment. In addition, we consider that the group has well-established and solid relationships with banks and could absorb high-impact negative credit events without the need to refinance, thanks to its low capex requirements and discretionary shareholder returns.

Principal liquidity sources	Principal liquidity uses
<p>As of March 31, 2026, we estimate DSV's liquidity sources for the upcoming 12 months mainly include:</p> <ul style="list-style-type: none"> • DKK7.7 billion of cash and short-term investments that we view as readily available for debt repayment; • DKK 7.1 billion in unused and committed financing available for more than one year; and • FFO after lease amortization of DKK17.0 billion-DKK18 billion. 	<p>We estimate liquidity uses for the same period mainly include:</p> <ul style="list-style-type: none"> • Debt maturities of about DKK 13.8 billion; • Gross capex of DKK 3.0 billion-DKK 3.2 billion; • An intra-year working capital outflow of DKK2.0 billion-DKK2.5 billion; and • Moderate dividend distributions in line with the previous year's levels.

Environmental, Social, And Governance

Governance factors are a positive consideration in our credit rating analysis of DSV, underpinned by management's long tenure and its track record of achieving above-industry-average profitability and effectively integrating acquisitions, while articulating and maintaining a conservative risk tolerance. In our view, generally positive employee relations and procedures make DSV a safe place to work and minimize employee turnover. As a freight forwarder, the company is only indirectly exposed to environmental risks relevant to the transportation sector.

We think DSV is well positioned to track and reduce its carbon footprint thanks to its cutting-edge IT systems and collaboration with suppliers and customers, which have enabled it to optimize its supply chains while consolidating its freight and selecting the most fuel-efficient mode of transport. This initiative covers its overland transportation, new office, and terminal and warehouse buildings, in addition to its choice of trailer equipment. DSV's environmental awareness is further underpinned by its annual greenhouse gas emissions report for all modes of transport, which it provides to customers, and its commitment to the Science-Based Targets initiative.

Rating Component Scores

Component	
Foreign currency issuer credit rating	A-/Stable/--
Local currency issuer credit rating	A-/Stable/--
Business risk	
Country risk	Low risk
Industry risk	Low risk
Competitive position	Satisfactory
Financial risk	
Cash flow/leverage	Modest
Anchor	bbb+

Modifiers

Diversification/portfolio effect	Neutral/Undiversified
Capital structure	Neutral
Financial policy	Neutral
Liquidity	Strong
Management and governance	Positive
Comparable rating analysis	Positive
Stand-alone credit profile	a-

Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), July 7, 2025
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- Full Analysis: DSV A/S, Dec. 3, 2025
- Special Update: Time Compounds The Credit Implications Of The War April 30, 2026

Ratings List

Ratings List

Ratings Affirmed; Outlook Action

	To	From
DSV A/S		
DSV Finance B.V.		
Issuer Credit Rating	A-/Stable/--	A-/Negative/--

Ratings Affirmed

DSV A/S

DSV Finance B.V.

Senior Unsecured	A-	
------------------	----	--

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

Copyright © 2026 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.