MOODY'S RATINGS

CREDIT OPINION
13 November 2025

Update

Send Your Feedback

RATINGS

DSV A/S

Domicile	Denmark
Long Term Rating	A3
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Daniel Harlid +46.8.5179.1271
VP-Senior Credit Officer
daniel.harlid@moodys.com

Stanislas Duquesnoy +49.69.70730.781
Associate Managing Director
stanislas.duquesnoy@moodys.com

Andreas Soteriou +46.8.5179.1272
Senior Ratings Associate
andreas.soteriou@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

DSV A/S

Annual Update

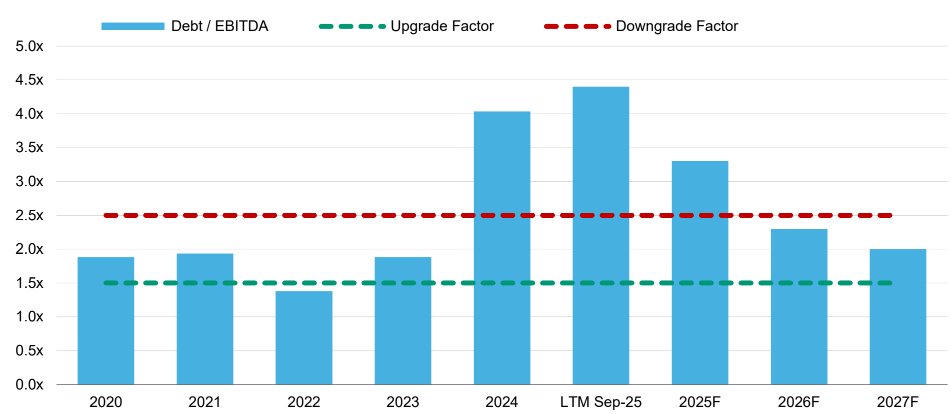
Summary

DSV A/S' (DSV) A3 rating and stable outlook is supported by its market leading position in the fragmented global freight forwarding industry. Furthermore, the rating reflects DSV's stable and industry-leading profitability levels through the cycle. This profitability stems from a dedicated management team, productive work force and a clearly defined and implemented IT strategy, which supports efficiency and further scalability of the business. Although DSV has a history of shareholder orientation with large share buyback programs, the A3 rating reflects its commitment to its net debt/EBITDA target of below 2.0x. Part of DSV's strategy is to grow through acquisitions and since 2006, the company has gone through five transformational transactions.

Although we recognise the risks associated with sizeable acquisitions such as the Schenker transaction, DSV has a track record of using equity to fund the transactions and executing a rapid deleveraging path following completion. In addition, its history of integrating acquired companies in a fast and efficient way and realising synergies illustrates the success of its acquisition strategy.

Exhibit 1

We expect DSV to achieve a Moody's-adjusted debt / EBITDA ratio of 2.0x by 2027



The elevated ratio in 2024 and LTM September 2025 reflects debt raised well in advance of the Schenker transaction, which closed on April 30, 2025.
All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Moody's forecasts are Moody's opinions and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

- » Second largest third-party-logistics (3PL) company in the world
- » Track record of stable and predictable profitability and cash flow generation through the cycle
- » One of the most profitable companies in its industry
- » History of successfully executing and integrating large and transformational acquisitions partially funded with equity
- » Dedicated management team with long tenure

Credit challenges

- » Large execution risks related to the integration of Schenker
- » Deleveraging trajectory highly dependent on increasing Schenker's profitability
- » Cyclical and competitive nature of the transportation and logistics sector
- » Shareholder-friendly financial policy, although mitigated by its commitment to adhere to internal net leverage targets
- » Regular execution of M&A transactions

Rating outlook

The stable outlook reflects our expectation that the company will successfully realise the targeted synergies and increase Schenker's profitability during the next 12-18 months and at the same time decrease the Moody's-adjusted debt / EBITDA ratio to around 2.5x. During this period, we also expect the company to continue adhering to its financial policy where shareholder remuneration will only take place once its net debt / EBITDA ratio decreases below 2.0x.

Factors that could lead to an upgrade

- » Successful integration of Schenker
- » Operating margin sustainably above 10%
- » Funds from operations (FFO)/debt exceeding 40%
- » A more conservative financial policy leading to debt/EBITDA sustainably below 1.5x

Factors that could lead to a downgrade

- » Failure to successfully integrate Schenker
- » Moody's-adjusted debt/EBITDA ratio approaching 2.5x
- » FFO/debt below 30% on a sustained basis
- » A deterioration in operating margin toward 6%

Key indicators

Exhibit 2
DSV A/S

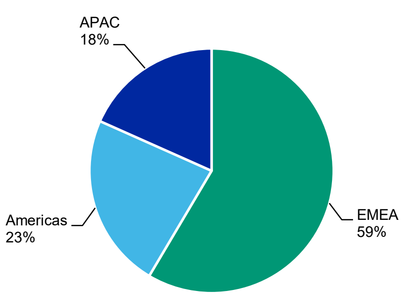
(in DKK billions)	2020	2021	2022	2023	2024	LTM Sep-25	2025F	2026F	2027F
Revenue	115.9	182.3	235.7	150.8	167.1	219.2	270.1	328.6	338.5
EBIT Margin	7.4%	8.9%	10.9%	11.8%	9.3%	7.2%	8.0%	8.0%	8.6%
Debt / EBITDA	1.9x	1.9x	1.4x	1.9x	4.0x	4.4x	3.3x	2.3x	2.0x
FFO / Debt	38.6%	38.9%	55.3%	41.9%	19.8%	17.5%	20.9%	27.6%	34.0%
EBITDA / Interest Expense	13.3x	21.9x	20.9x	14.8x	10.4x	9.1x	10.4x	12.4x	13.9x
RCF / Net Debt	41.6%	45.1%	65.0%	43.2%	392.1%	17.7%	23.4%	29.5%	43.2%
EBITDA Margin	10.9%	11.2%	13.1%	15.3%	12.7%	10.7%	11.5%	11.5%	12.0%
FCF / Debt	22.2%	16.2%	45.8%	20.8%	3.6%	9.3%	13.5%	10.6%	17.0%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Profile

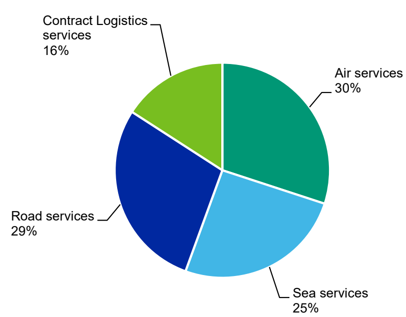
Headquartered in Hedehusene, Denmark, DSV is the second largest third-party logistics (3PL) company in the world; largest in air & sea freight forwarding. It is active in over 80 countries and employs 76,000 people. The company was formed in 1976 by 10 independent Danish haulers, and since then, it has grown organically, supported by more than a handful of transformational acquisitions. Its shares are listed on the Nasdaq Copenhagen Stock Exchange and has a market cap of around DKK339 billion. For the twelve months that ended 30 September 2025, the company reported revenue of DKK219 billion and EBIT of DKK18 billion.

Exhibit 3
Revenue per region (LTM Sep-25)



LTM = Last 12 months.
Source: Company data

Exhibit 4
Revenue per product line (LTM Sep-25)



LTM = Last 12 months.
Source: Company data

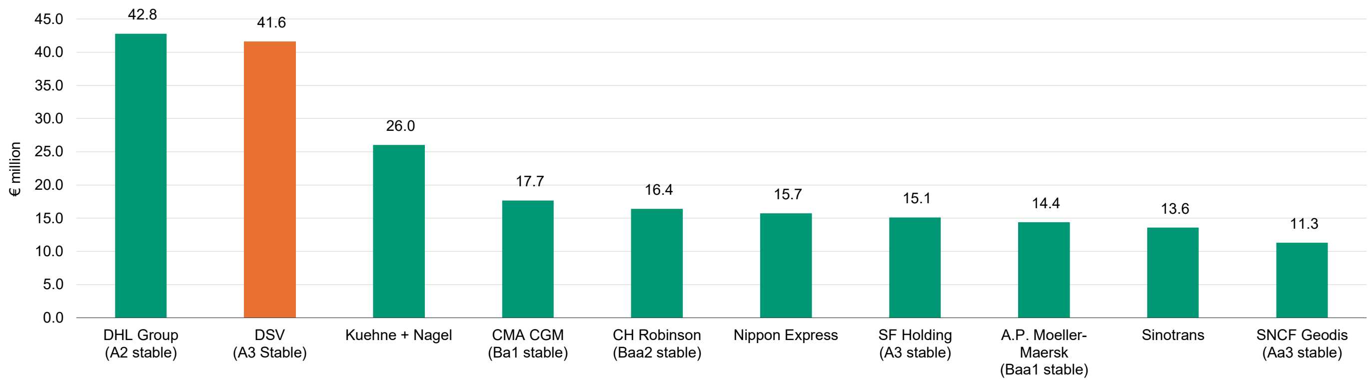
Detailed credit considerations

Acquisition of Schenker is largest on record for DSV - modus operandi the same as always

On April 30, 2025, DSV announced it had closed the acquisition of global freight forwarding and contract logistics business DB Schenker from Deutsche Bahn AG (Aa1 Stable) for an enterprise value of DKK106.7 billion (€14.3 billion). The consideration was settled through an all-cash transaction of DKK 86.8 billion whereas the net cash outflow amounted to DKK75.8 billion (including acquired cash of DKK11.0 billion). This was financed with approximately 50% new debt and 50% of equity.

By acquiring Schenker, DSV will become the second largest 3PL company in the world. As seen in exhibit 5, pro forma revenue for 2024 amounted to €42 billion which would have been 60% higher than for Switzerland based Kuehne+Nagel Group.

Exhibit 5
Following the acquisition of Schenker, DSV is the second largest 3PL company in the world



Numbers for DHL Group exclude its division Express and Post & Parcel Germany. For CMA CGM, numbers related to its Logistics segment but pro forma for the acquisition of Bolloré Logistic. For S.F. Holding CO, figures reflect its freight forwarding business.
Sources: Moody's Ratings, FactSet, DSV

Notwithstanding the importance of having large market shares in the regions you serve, the global 3PL market is very fragmented as is its largest segments - freight forwarding, road freight and contract logistics. Historically, correlation between market shares and profitability has been very low which partly is a result of the commoditised nature of transport and logistics services. This also explain the very low EBIT margin of the industry which before the pandemic was hovering at around 3% - 5%. This has led to companies not being profitable enough to make necessary investments in its IT infrastructure which in turn has complicated the ability to extract noticeable synergies from M&A.

The exception to the above is DSV, which during the last 10 years has carried out four rather transformational acquisitions, expanding the group's revenue by 20%-50% every time. Although the companies have been different in terms of size, segments and geographical coverage, DSV's business case has more or less been the same in all transactions - acquire volumes for its freight forwarding business and achieve DSV's profitability level on those volumes. Put differently, increase productivity per employee in the acquired business.

Exhibit 6

DSV has historically acquired companies with significantly lower profitability than itself

DKK billion

Acquisition	UTI	Panalpina	GIL	Schenker
Acquisition date	Sep-15	Apr-19	Apr-21	Sep-24
Enterprise value	9.3	35.1	30.2	107.0
Equity value	6.6	35.8	29.7	86.8
Equity raised	4.8	35.3	29.5	36.9
Revenue	**2015**	**2019**	**2021**	**2024**
DSV	48.6	79.1	115.9	167.1
Target	27.5	40.0	26.0	143.2
EBIT	**2015**	**2019**	**2021**	**2024**
DSV	2.6	5.5	9.5	16.1
Target	-0.8	0.8	0.9	6.0
Margin	**2015**	**2019**	**2021**	**2024**
DSV	5.4%	6.9%	8.2%	9.6%
Target	-2.8%	2.0%	3.3%	4.2%
Targeted synergies	1.5	2.3	2.8	9.0
Timeline (years)	3	3	2	3
Volume (000's)	**2015**	**2019**	**2021**	**2024**
DSV Air, tonnes	311	689	1 300	1 400
Target Air, tonnes	353	1 039	300	1 000
DSV Ocean, TEUs	855	1 442	2 200	2 700
Target Ocean, TEUs	513	1 484	600	1 800
Logistics Centres (m2), DSV		5 500	6 000	9 200
Logistics Centres (m2), Target		500	1 400	8 500

Numbers are shown for the preceding year of the acquisition.
Timeline refers to how many years DSV expected it would take to reach targeted synergies at the time of announcement
Sources: Company data and Moody's Ratings

As seen in Exhibit 6, DSV typically acquires companies that are significantly less profitable but with substantial volumes within air and ocean freight forwarding. In all four acquisitions listed above, it has had more or less the same business case - increasing productivity and efficiency of the acquired business, mainly by consolidating operations, as well as reducing overhead costs / centralized functions such as administration and IT. We argue that the biggest driver of DSV's strong track record in terms of integration and synergy realization is DSV's IT architecture. It includes a centrally governed enterprise architecture as back-end and one single transport management system per division in the front-end (not in road transport). This setup has also been implemented in every company DSV has acquired.

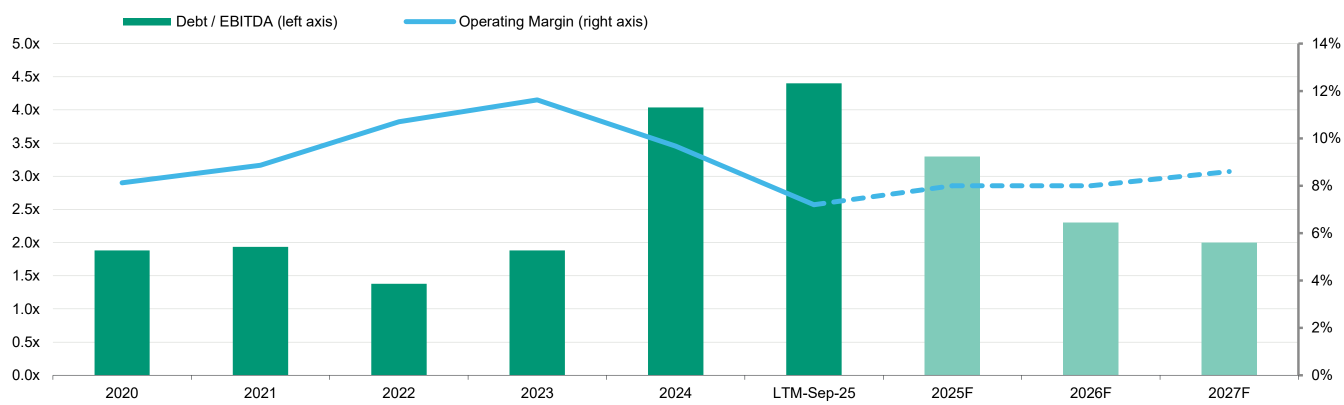
Ability to deleverage rests on ability to increase productivity at Schenker

DSV aspires to lift the operating margin of the combined entity to a minimum of DSV's level within the respective business areas by 2028. This means increasing its current EBIT margin of around 4.2%[1] to DSV's level of 9.6%. This would equal to synergies of around DKK8.0 billion whereas DSV is targeting to reach synergies of DKK9.0 billion at the end of 2028. Most of the expected synergies will stem from reducing Schenker's sizeable workforce. Despite employing nearly 20% more staff than DSV, Schenker delivered an EBIT in 2024 that was DKK 10 billion lower.

We view positively DSV's announcement in its Q3 2025 earnings report that integration is progressing faster than expected. The company now anticipates completing 70% of the process by end-2026, compared with the 50% target communicated in Q2. However, while the company's plan assumes full integration within 3.5 years, we believe the process could take longer than this timeline.

Our base case still assumes DSV will be able to extract significant synergies as well as paying down debt coming due over the next three years, bringing its Moody's-adjusted debt / EBITDA ratio back toward 2.0x in 2027 (Exhibit 7). During this transition period, the rating will be somewhat weakly positioned.

Exhibit 7
DSV's A3 rating rests on our expectations of synergy realisation and debt repayments



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Strong track record in realising synergies in freight forwarding

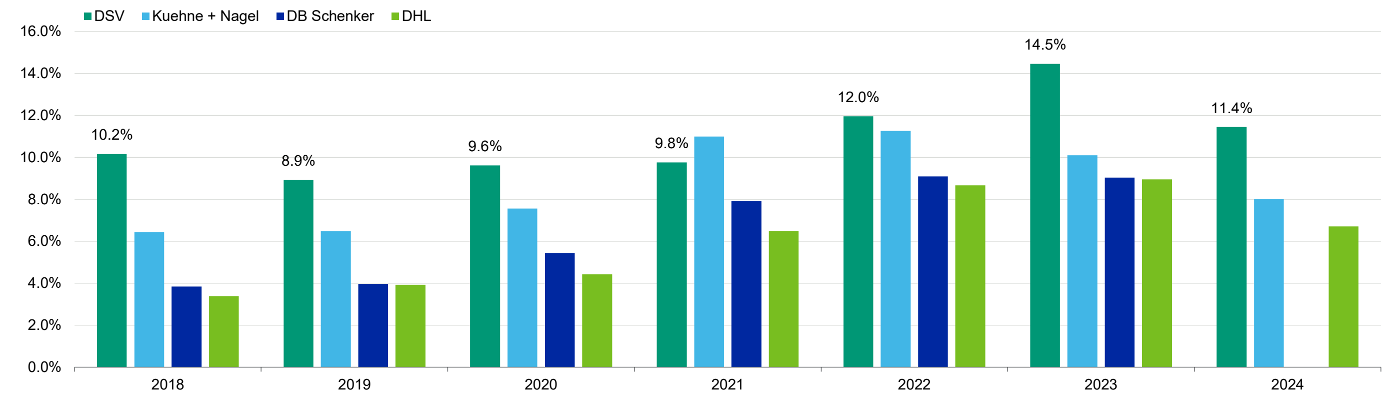
Pro forma for the transaction, the Air & Sea freight forwarding division would account for 55% of revenue in 2024, compared with 62% reported by DSV. At the EBIT level, this division will remain the primary contributor to group operating profit, representing over 60% in Q3 2025. The additional market share gained by DSV in global freight forwarding is therefore credit positive. According to Transport Intelligence, the global freight forwarding market was valued at €208 billion in 2024, implying DSV held a market share of about 6.5%. With Schenker's Air & Ocean Freight division added, DSV is now the world's largest freight forwarder, with an estimated market share of 9–10%.

DSV's acquisitions have historically aimed to boost volumes in its Air & Sea freight forwarding business, given the division's high operating leverage—once restructuring is complete, the marginal cost of additional volume declines with scale. As noted, DSV targets raising Schenker's EBIT margin to its own level within three years of closing. This mirrors its approach with Panalpina in 2019, when air forwarding margins were 3% and ocean forwarding was loss-making; profitability reached DSV's levels within 12 months. The GIL acquisition in 2021 progressed even faster. Given DSV's strong track record of significantly improving EBIT per freight unit in acquired businesses, we expect similar success with Schenker.

Exhibit 8

DSV's industry-leading profitability is partly explained by its strong M&A track record

EBIT margins for European freight forwarders



For DSV: Air & Sea division. For Kuehne + Nagel: Sea Logistics and Air Logistics. For DHL: Global Forwarding within its DGFF division. For DB Schenker: Air & Ocean Freight.
Sources: Moody's Ratings and company filings

Limited scope for synergies in road and contract logistics

We see limited potential for significant synergies in the European road transport market, where both DSV and Schenker generate the bulk of revenue for their respective road divisions. The market is highly fragmented—Schenker holds only a 2% share despite being the largest player—and is the most commoditized segment within 3PL, reflected in average EBIT margins of just 1–2%. DSV is an outlier with margins of 4–5%, though these gains have not been driven by recent acquisitions. Unlike its Air & Sea and Contract Logistics divisions, which operate on unified global TMS/WMS platforms, DSV's road business relies on fragmented, legacy IT systems. Consequently, adding volumes through M&A does not deliver the same benefits as in Air & Sea. Schenker is more advanced in deploying a single TMS across Europe, while DSV's similar initiative, Road Way Forward, began in 2023 and is expected to be fully implemented by 2026. Management believes this will make the Road division as M&A-ready as Air & Sea.

For contract logistics, synergies are likely to be limited, as Schenker's profitability and productivity (measured by EBIT per employee) are broadly in line with DSV's. However, given overlaps in warehouse capacity across Europe, we see some potential for footprint consolidation.

Conservative financial policy will be equally important as synergies to strengthen the rating

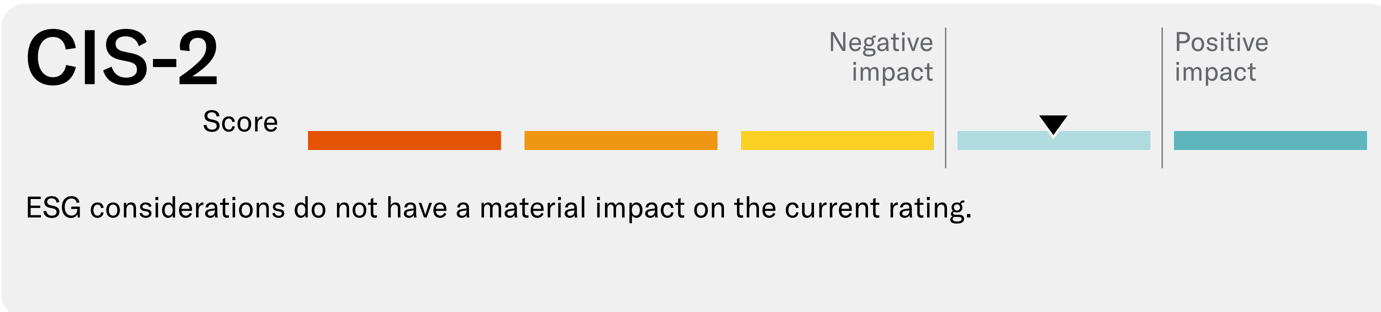
DSV's capital structure is governed by its financial policy of keeping net debt/EBITDA below 2.0x (excluding pension liabilities but including lease liabilities). The company has a clear order of prioritising cash flow; (1) repayment of net interest bearing debt in periods when the financial gearing ratio is above the target range; (2) value-adding investments in the form of acquisitions or development of the existing business and (3) distribution to shareholders by means of share buybacks and dividends. In addition, DSV's dividend policy is to pay out the equivalent of 10%-15% of net profit to shareholders.

The financial policy has been in place for over 10 years and is also why we feel comfortable that the company will reduce leverage by paying down some of the debt it will use to fund the acquisition. In addition, the company has publicly stated that it remains committed to maintain its current credit ratings.

ESG considerations

DSV A/S' ESG credit impact score is CIS-2

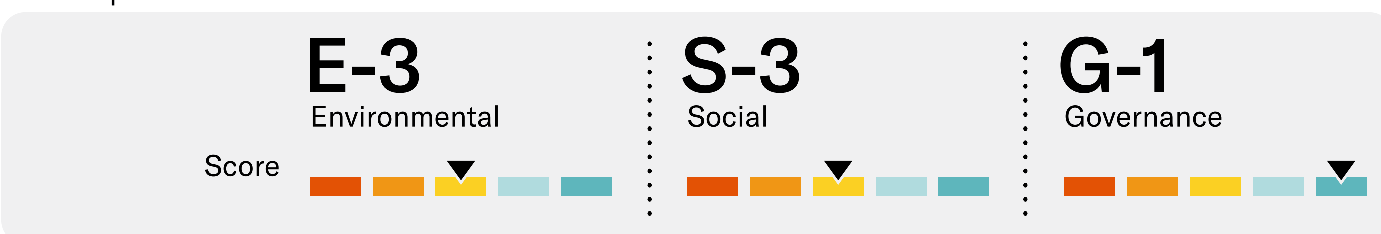
Exhibit 9
ESG credit impact score



Source: Moody's Ratings

DSV's **CIS-2** indicates that ESG considerations are not material to the rating. Furthermore, it balances our very strong governance assessment for the group with its moderate environmental and social risk exposure. Key ESG related risks include carbon transition risk, waste and pollution as well as health and safety for its workforce.

Exhibit 10
ESG issuer profile scores



Source: Moody's Ratings

Environmental

E-3. Environmental risks stems from the nature of DSV's business, where the company facilitates transport by air, sea and road on behalf of its customers. Increasing regulatory pressures ultimately will lead to requirements of reduced CO2 emissions and other pollutants in the whole transport value chain. The company partly mitigates these risks with its targets of reducing direct and indirect emissions from its own operations (scope 1 & 2) with 40% and across the value chain (scope 3) with 30% by 2030 compared with 2019.

Social

S-3. Our assessment of social risks currently reflects that DSV's operating performance following the acquisition of Schenker rests on the ability to reduce the workforce which can be a challenge.

Governance

G-1. Governance considerations has a positive impact on DSV's A3 rating. Not at least, its long term focus has enabled the company to invest heavily and build out its IT-infrastructure which in turn has meant it has become very efficient in terms of M&A integration. Management credibility and track record positively contributes to the overall low governance risks and is further supported by a highly independent board and the absence of ownership concentration.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

We expect DSV to have excellent liquidity over the next 12 months, supported by a cash position of DKK12.2 billion and DKK8.4 billion in revolving credit facilities as of 30 September 2025. Furthermore, we expect the combined business will generate DKK17 billion in cash flow from operation during the first 12 months post completion of the transaction. As both DSV and Schenker are asset light businesses, capex needs are relatively low at around 1.5% of revenue (we expect annual capex spending of around DKK5.0 billion).

Rating methodology and scorecard factors

The principal methodology used in these ratings was the Surface Transportation and Logistics methodology. DSV's long-term issuer rating of A3 is in line with the scorecard indicated outcome on a forward view basis.

Exhibit 11
Rating factors
DSV A/S

Surface Transportation and Logistics Industry Scorecard	Current LTM 9/30/2025		Moody's 12-18 Month Forward View As of 11/4/2025	
Factor 1 : Scale (15%)	**Measure**	**Score**	**Measure**	**Score**
a) Revenue (USD Billion)	$32.9	Aa	$48 - $49	Aa
Factor 2 : Business Profile (25%)				
a) Business Profile	A	A	A	A
Factor 3 : Profitability & Efficiency (10%)				
a) EBIT Margin	7.2%	B	8% - 9%	B
Factor 4 : Leverage & Coverage (35%)				
a) Debt / EBITDA	4.4x	Ba	2x - 2.3x	A
b) EBITDA / Interest Expense	9.1x	Baa	12x - 14x	A
c) RCF / Net Debt	17.7%	Ba	30% - 43%	A
Factor 5 : Financial Policy (15%)				
a) Financial Policy	A	A	A	A
Rating:				
a) Scorecard-Indicated Outcome		Baa1		A3
b) Actual Rating Assigned				A3

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Ratings

Exhibit 12

Category	Moody's Rating
DSV A/S	
Outlook	Stable
Issuer Rating -Dom Curr	A3
Senior Unsecured MTN	(P)A3
DSV FINANCE B.V.	
Outlook	Stable
Bkd Senior Unsecured -Dom Curr	A3

Source: Moody's Ratings

Endnotes

1 DSV has stated that in 2024, Schenker reported revenue and normalised EBIT of €19.2 billion and €800 million respectively.

REPORT NUMBER 1461564

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454