

INTERIM FINANCIAL REPORT

Q1 2024

Company Announcement No. 1103

24 April 2024

Selected key figures and ratios for the period 1 January – 31 March 2024

	Q1 2024	Q1 2023
Key figures (DKK m)		
Revenue	38,340	40,954
Gross profit	10,265	11,391
Operating profit (EBIT) before special items	3,641	4,672
Profit for the period	2,393	3,287
Adjusted earnings for the period	2,463	3,340
Ratios		
Conversion ratio	35.5%	41.0%
Diluted adjusted earnings per share of DKK 1 for the last 12 months	55.3	76.9

Jens H. Lund, Group CEO: *“In a normalising market, we are off to a good start delivering strong financial results in the first quarter of 2024, and I am particularly satisfied that we are gaining market shares in all three divisions. We have also completed the leadership changes, the organisation has settled, and together with the new and experienced leadership team we will concentrate our efforts on executing on our strategy, with particular focus on our customers.”*

Outlook for 2024

We maintain our outlook for 2024 as announced in the 2023 Annual Report:

- Operating profit (EBIT) before special items is expected to be in the range of DKK 15,000-17,000 million.
- The effective tax rate is expected to be approximately 24%.

Share buyback

A separate company announcement about a new share buyback programme of DKK 1,000 million will be issued today. The programme starts 24 April 2024 and will run until 23 July 2024.

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Yours sincerely,
DSV A/S

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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 75,000 employees in more than 80 countries work passionately to deliver great customer experiences and high-quality services. Read more at www.dsv.com

An aerial photograph showing a winding asphalt road that curves along the edge of a dense, green forest. The road is bordered by a thick line of trees, and a small blue car is visible on it. To the right of the road is a large, clear blue lake. The overall scene is bright and scenic, with vibrant green foliage and deep blue water.

Interim Financial Report

Q1 2024

Keeping supply chains flowing in a world of change

Global Transport and Logistics

DSV

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Financial highlights

	Q1 2024	Q1 2023
Results (DKKm)		
Revenue	38,340	40,954
Gross profit	10,265	11,391
Operating profit before amortisation and depreciation (EBITDA) before special items	5,032	5,941
Operating profit (EBIT) before special items	3,641	4,672
Net financial expenses	484	346
Profit for the period	2,393	3,287
Adjusted earnings for the period	2,463	3,340
Cash flows (DKKm)		
Operating activities	1,756	6,121
Investing activities	(358)	(397)
Free cash flow	1,398	5,724
Adjusted free cash flow	443	4,898
Share buyback	(1,613)	(3,019)
Dividends distributed	(1,533)	(1,424)
Cash flow for the period	119	1,580
Gross investment in property, plant and equipment	561	408
Financial position (DKKm)		
DSV A/S shareholders' share of equity	68,629	70,503
Non-controlling interests	285	217
Total equity	68,914	70,720
Total assets	152,023	154,772
Net working capital (NWC)	7,078	3,126
Net interest-bearing debt (NIBD)	37,828	28,960
Invested capital	103,039	97,151
Financial ratios (%)		
Gross margin	26.8	27.8
Operating margin	9.5	11.4
Conversion ratio	35.5	41.0
Effective tax rate	24.2	24.0
ROIC before tax	16.7	23.2
Return on equity	16.4	22.5
Solvency ratio	45.1	45.6
Gearing ratio	1.7	1.0
Share ratios		
Earnings per share (EPS) of DKK 1 for the last 12 months	54.0	73.8
Diluted adjusted earnings per share of DKK 1 for the last 12 months	55.3	76.9
Number of shares issued ('000) at 31 March	219,000	219,000
Number of treasury shares ('000) at 31 March	10,306	2,901
Average number of shares issued ('000) for the last 12 months	211,689	223,204
Average diluted number of shares ('000) for the last 12 months	212,961	225,714
Diluted number of shares ('000) at 31 March	209,162	218,280
Share price end of period (DKK)	1,122.0	1,326.5
Non-financials		
Full-time employees (FTE) at 31 March	73,879	74,613

For definition of key figures and ratios, please refer to page 82 of the DSV Annual Report 2023.

For definition of non-financial data, please refer to the DSV Sustainability Report 2023.

Management's commentary

The DSV Group delivered a strong set of results for Q1 2024. The financial performance was in line with our expectations and reflects seasonality and the continued market normalisation. Adjusted free cash flow for the quarter is satisfactory when adjusted for increased activity levels and funds tied up in property projects. Gross profit for the quarter was down 8.6% and EBIT declined 20.8%.

In a volatile and competitive market environment, we saw positive momentum on our sustainable growth, and DSV is taking market share across most of the markets we operate in.

Quarterly highlights

DSV is built on a series of large and successfully integrated acquisitions. While M&A continues to be at the core of our strategy, we are strengthening our operational and commercial focus. Sustainable organic growth will be driven based on an even deeper understanding of our customers across segments and industries and an intensified development of our global network and services.

We have completed an executive, divisional and commercial leadership transition to ensure that we have a team in place with leading industry capabilities and which can execute effectively across our three divisions on enterprise level.

With the new organisation and strengthened commercial focus in place, we are confident that we have the right platform to deliver above-market growth across all business areas. The strategic focus will deliver increased growth on our largest global customers, which represent more than half of our gross profit, while also maintaining our historically strong position in the small- and mid-sized customer segment.

We also made good progress maturing our global network, i.e., through improved LCL on sea freight, air freight, groupage and vertical-specific set-ups including increased use of control towers and further digitalising our operations (including use of AI). These efforts also supported our continued focus on operational excellence.

NEOM update

In October 2023, we announced an exclusive logistics joint venture to provide logistics services for the projects in the NEOM region. The project is mobilised and ready to go live in Q2 as planned. The timing of investments in the joint venture will depend on the progress of the individual projects in NEOM. Based on current plans, we expect the joint venture activities to ramp up over the next 3-4 years. The joint venture will have a positive impact on the DSV network, and we expect a return on the invested capital in line with our financial targets. Human rights policies in line with DSV principles will be an integrated part of the joint venture, and we will report on this when we go live. So far, we have had no issues during the mobilisation phase.

Results for the period

Growth 2023 – 2024

(DKKm)	Q1 2023	Currency translation	Q1 2023 in constant currencies	Growth	Growth %*	Q1 2024
Revenue	40,954	(581)	40,373	(2,033)	(5.0%)	38,340
Gross profit	11,391	(158)	11,233	(968)	(8.6%)	10,265
EBIT before special items	4,672	(74)	4,598	(957)	(20.8%)	3,641
Gross margin (%)	27.8					26.8
Operating margin (%)	11.4					9.5
Conversion ratio (%)	41.0					35.5

* Growth in constant currencies

Revenue

For Q1 2024, revenue amounted to DKK 38,340 million, compared to DKK 40,954 million last year. In constant currencies, revenue declined 5.0% compared to same period last year.

Revenue and growth by division compared to same period last year are specified below:

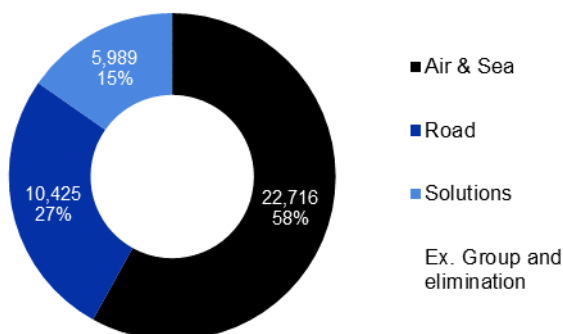
(DKKm)	Q1 2024	Q1 2023	Growth*
Air & Sea	22,716	26,213	(11.5%)
Road	10,425	10,094	3.3%
Solutions	5,989	5,625	7.3%
Group and eliminations	(790)	(978)	
Total	38,340	40,954	(5.0%)

* Growth in constant currencies

In the Air & Sea division, revenue declined by 11.5% in Q1 2024. Revenue was impacted by higher volumes in both air and sea, but this was offset by lower average freight rates. Although spot rates are higher than last year, the average contract rate for the current period is lower compared to same period last year.

Road and Solutions both had a good start to Q1 2024 with organic growth in both divisions. In Road, the increase was driven by slightly higher volumes, which were partly offset by lower rates and less working days compared to same period last year. Solutions added capacity across most regions, which increased the overall activity.

Revenue by division, Q1 2024



Gross profit

For Q1 2024, gross profit amounted to DKK 10,265 million, compared to DKK 11,391 million last year. In line with expectations, gross profit in constant currencies declined 8.6% compared to same period last year, mainly due to a normalisation of freight rates and yields in the Air & Sea division.

Gross profit and growth by division compared to same period last year are specified below:

(DKKm)	Q1 2024	Q1 2023	Growth*
Air & Sea	5,763	7,027	(16.2%)
Road	1,964	1,976	(0.7%)
Solutions	2,401	2,285	5.8%
Group and eliminations	137	103	
Total	10,265	11,391	(8.6%)

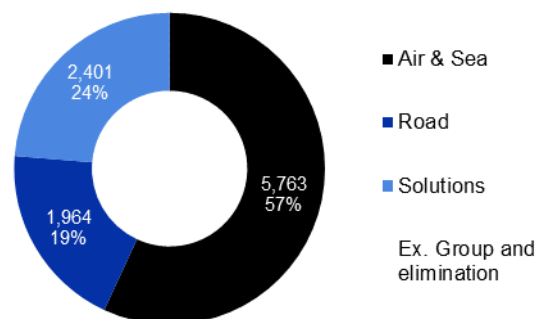
* Growth in constant currencies

As expected, the gross profit yields were largely stable compared to Q4 2023 levels. In line with our expectations, the Air & Sea division saw a decline in gross profit compared to last year. This was caused by lower gross profit yields, partly offset by volume growth for both air and sea.

The Road division achieved gross profit in line with last year despite declining market activity. The division saw positive development and delivered market share gains, particularly on international activities. Solutions also developed positively and saw gross profit growth of 5.8% for the quarter due to higher activity levels.

Gross profit declined mainly in APAC and Americas driven by lower freight yields. EMEA region was stable mainly driven by double-digit growth in Middle East compared to same period last year.

Gross profit by division, Q1 2024



The gross margin for the Group was 26.8% for Q1 2024, compared to 27.8% for the same period last year. The decline was mainly due to Air & Sea and reflects a normalisation of both freight rates and yields.

EBIT before special items

EBIT before special items amounted to DKK 3,641 million for Q1 2024, compared to DKK 4,672 million last year. In constant currencies, EBIT before special items was down 20.8%. The reduced EBIT was mainly due to lower gross profit in Air & Sea.

EBIT and growth by division compared to same period last year are specified below:

(DKKm)	Q1 2024	Q1 2023	Growth*
Air & Sea	2,627	3,626	(26.0%)
Road	490	495	(1.8%)
Solutions	500	548	(8.8%)
Group and eliminations	24	3	
Total	3,641	4,672	(20.8%)

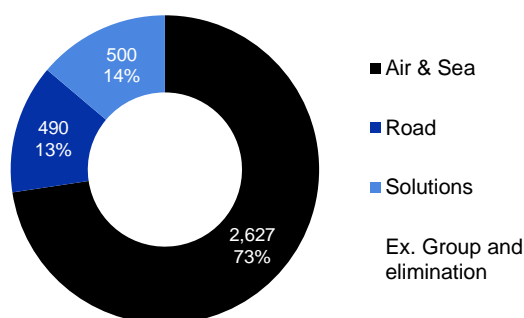
* Growth in constant currencies

The conversion ratio for the Group was 35.5% for Q1 2024, compared to 41.0% for the same period last year. The decrease reflects a lower conversion ratio in Air & Sea and Solutions, primarily impacted by lower gross profit yields in Air & Sea and lower average warehouse utilisation in Solutions due to our global expansion.

The total cost base is slightly lower compared to the same period last year. During 2023, various cost initiatives were initiated which reduced both staff cost and other external cost. The cost savings have been partly offset by general cost inflation. The leadership team will continue to adjust the cost base to match the activity levels.

Most regions reported lower EBIT in Q1 2024 compared to the same period last year. The Middle East and Africa regions recorded growth compared to last year.

EBIT by division, Q1 2024



Financial items

Financial items totalled a net expense of DKK 484 million for Q1 2024, compared to a net expense of DKK 346 million for the same period last year. The higher net financial expenses compared to last year were mainly related to the increase in lease liabilities, increased debt and losses incurred in a few countries due to currency devaluation.

(DKKm)	Q1 2024	Q1 2023
Interest on lease liabilities	252	195
Other interest expenses, net	153	100
Interest on pensions	11	8
Foreign exchange adjustments	68	43
Net financial expenses	484	346

Tax on profit for the period

The effective tax rate came to 24.2% for Q1 2024, compared to 24.0% for the same period last year.

Profit for the period

Profit for Q1 2024 was DKK 2,393 million, compared to DKK 3,287 million for the same period of 2023. The decline was mainly due to the lower EBIT for the period.

Diluted adjusted earnings per share

Diluted adjusted EPS (rolling 12-months) decreased by 28.1% compared to the same period last year and came to DKK 55.3 per share (31 March 2023: DKK 76.9 per share). The decline was due to the decrease in adjusted earnings partly offset by a 5.7% decrease in average number of shares issued following the Group's share buy-back programmes.

Cash flow

Cash flow statement – summary

(DKKm)	Q1 2024	Q1 2023
EBITDA before special items	5,032	5,941
Change in net working capital	(2,092)	1,989
Tax, interests, change in provisions, etc.	(1,184)	(1,677)
Special items	-	(132)
Cash flow from operating activities	1,756	6,121
Cash flow from investing activities	(358)	(397)
Free cash flow	1,398	5,724
Cash flow from financing activities	(1,279)	(4,144)
Cash flow for the period	119	1,580
Free cash flow	1,398	5,724
Special items	-	132
Repayment of lease liabilities	(955)	(958)
Adjusted free cash flow	443	4,898

Adjusted free cash flow for Q1 2024 was DKK 443 million, compared to DKK 4,898 million for the same period last year. The decline in adjusted free cash flow for the first three months of 2024 was impacted by the lower EBITDA.

The sequential increase in activity levels and rates in Q1 2024 lead to higher net revenue compared to Q4 2023, resulting in an increase in net working capital. The net working capital development in Q1 2023 was impacted by the opposite development due to the normalisation of market conditions back from 2022. Cash flow from investing activities came to a cash outflow of DKK 358 million for Q1 2024 and was in line with same period last year.

Cash flow from financing activities was a net cash outflow of DKK 1,279 million for Q1 2024, primarily related to share buyback and dividend.

Net working capital

On 31 March 2024, the Group's net working capital was DKK 7,078 million, compared to DKK 3,126 million on 31 March 2023, an increase of DKK 3,952 million. Currently, we have approx. DKK 4,500 million tied up in property projects mainly in large projects in Denmark and Sweden. The funds tied up in property projects will be reduced over the coming quarters to an expected level of around DKK 2,500 million at year end. Property projects is an integrated part of our strategy of always having an efficient infrastructure.

Relative to estimated full-year revenue, funds tied up in NWC were 4.6% on 31 March 2024 (31 March 2023: 1.9%). We maintain high focus on managing NWC and we have seen a stable level of invoicing days and overdue receivables during Q1 2024. As funds tied up in property projects normalise over the coming quarters, we expect a reduction of more than DKK 2 billion and an NWC relative to full-year revenue in the level of 3%.

Capital structure and finances

DSV A/S shareholders' share of equity

DSV shareholders' share of equity was DKK 68,629 million on 31 March 2024 (DKK 68,703 million on 31 December 2023). Equity remained relatively stable, as the profit for the period and proceeds from the sale of treasury shares are redistributed to shareholders.

On 31 March 2024, the Company's portfolio of treasury shares was 10,305,995 shares. On 23 April 2024, the portfolio of treasury shares was 5,378,594 shares.

DSV reduced its share capital on 12 April 2024 through the cancellation of 5,000,000 treasury shares. Please refer to Company Announcement No. 1102.

The solvency ratio excluding non-controlling interests was 45.1% on 31 March 2024 (31 March 2023: 45.6%).

The development in equity since 1 January is specified below:

(DKKm)	Q1 2024	Q1 2023
Equity at 1 January	68,703	71,519
Profit for the period (attributable to DSV shareholders)	2,377	3,266
Currency translation, foreign enterprises	82	(899)
Allocated to shareholders	(3,146)	(4,443)
Sale of treasury shares	492	888
Other equity movements	121	172
Equity end of period	68,629	70,503

Net interest-bearing debt

Net interest-bearing debt amounted to DKK 37,828 million on 31 March 2024, compared to DKK 28,960 million on 31 March 2023. The increase in net interest-bearing debt can mainly be attributed to investment activities and an increase in lease liabilities during the last 12 months.

The gearing ratio (NIBD/EBITDA) was 1.7x on 31 March 2024, compared to 1.0x last year. A new share buyback programme of DKK 1,000 million is initiated on 24 April 2024 in line with our target of a financial gearing ratio below 2.0x. The size of the new programme reflects the current level of net working capital as well as expected investments related to the NEOM joint venture. The weighted average duration of the company's long-term bonds and drawn credit facilities was 7.2 years on 31 March 2024.

Invested capital and ROIC

The invested capital including goodwill and customer relationships amounted to DKK 103,039 million on 31 March 2024, compared to DKK 97,151 million on 31 March 2023. The increase was mainly a result of higher net working capital.

Return on invested capital (including goodwill and customer relationships) was 16.7% for the rolling 12-month period ended 31 March 2024 compared to 23.2% last year. The decrease was predominantly due to the decline in EBIT.

Excluding goodwill and customer relationships, return on invested capital was 69.9% for the rolling 12-month period ended 31 March 2024, compared to 97.8% for the same period last year.

Outlook

We maintain our outlook for 2024 as announced in the 2023 Annual Report:

- Operating profit (EBIT) before special items is expected to be in the range of DKK 15,000-17,000 million.
- The effective tax rate is expected to be approximately 24%.

Air & Sea

The Air & Sea division operates a global network specialising in transportation of cargo by air and sea. The division offers conventional freight forwarding services and tailored project cargo solutions.

The division gained market share across most markets, while keeping gross profit yields and the cost base stable compared to Q4 2023. In a market driven by soft volume growth and normalised yields, the Air & Sea division saw a 16.2% decrease in gross profit and 26.0% decrease in EBIT before special items for Q1 2024 compared to the same period last year.

Statement of profit or loss

(DKKm)	Q1 2024	Q1 2023
Divisional revenue	22,716	26,213
Direct costs	16,953	19,186
Gross profit	5,763	7,027
Other external costs	908	1,023
Staff costs	1,943	2,093
EBITDA before special items	2,912	3,911
Amortisation and depreciation	285	285
EBIT before special items	2,627	3,626

Key figures and ratios

	Q1 2024	Q1 2023
Gross margin (%)	25.4	26.8
Operating margin (%)	11.6	13.8
Conversion ratio (%)	45.6	51.6
Full-time employees	21,242	22,270
Total invested capital (DKKm)	65,003	65,118
Net working capital (DKKm)	2,714	2,738
ROIC before tax (%)	19.0	27.5

Quarterly highlights

The division continued the expansion of our global network. For air freight, focus was on optimising our European routings and developing the gateway infrastructure.

We continued to develop our LCL sea freight product, focusing on increasing own controlled consolidation and improving the service levels and quality.

Within both air and sea freight, the division also expanded the collaboration with the Road division.

The continued growth of the network will ensure a high service level towards our customers and higher profitability per container.

We already now see positive results from the revised commercial approach, which we expect to be gradually phased in during the coming quarters.

Market development

DSV volume growth	Q1 2024
Air freight – tonnes	2.3%
Sea freight – TEUs	8.2%

Air

DSV's air volumes increased 2.3% in Q1 2024 compared to the same period last year, mainly owing to strong development in export volumes from APAC. The air freight market is impacted by continued high growth in e-commerce volumes from China,

driving both market volumes and rates up. Adjusted for the above and perishables impact, we estimate that our addressable market is growing by low single digits.

Air freight capacity continues to increase due to more passenger travel, which generates more available belly capacity. Combined with more freighter capacity compared to pre-pandemic, this has led to overcapacity in the air freight market. During 2024, we expect that some of the excess capacity will be offset by retirement of old aircrafts.

Sea

In the first quarter of 2024, DSV's sea freight volumes grew by 8.2% compared to the same period last year. The strongest growth rates were recorded on export volumes out of APAC.

The rerouting of ships around the Cape of Good Hope in response to the Red Sea crisis led to increased freight rates in the quarter. The additional voyage time of approximately 10-14 days ties up some capacity. Nonetheless, the sea freight market continues to be impacted by significant incoming capacity. We estimate that the market grew by mid-single digits in Q1 2024.

Divisional revenue

The division's revenue amounted to DKK 22,716 million for Q1 2024, compared to DKK 26,213 million for the same period last year, and was down 11.5% in constant currencies.

Volumes, especially within sea, showed continued improvement during the quarter. The development was partly a result of lower average rates compared to the same period last year. Total shipment count increased by 9% compared to Q1 last year.

The division's average revenue per unit was 21.7% below last year for air and 24.8% below last year for sea.

Gross profit

For Q1 2024, gross profit amounted to DKK 5,763 million, compared to DKK 7,027 million for the same period last year. In constant currencies, gross profit dropped 16.2%.

Growth Air & Sea 2023 – 2024

(DKKm)	Q1 2023	Currency translation	Q1 2023 in constant currencies	Growth	Growth %*	Q1 2024
Divisional revenue	26,213	(542)	25,671	(2,955)	(11.5%)	22,716
Gross profit	7,027	(146)	6,881	(1,118)	(16.2%)	5,763
EBIT before special items	3,626	(78)	3,548	(921)	(26.0%)	2,627

* Growth in constant currencies

The decline in gross profit compared to last year was caused by lower gross profit yields in both air and sea. However, yields remained relatively stable compared to Q4 2023.

The division's gross margin was 25.4% for Q1 2024, compared to 26.8% last year. The decrease was mainly driven by lower gross profit yields compared to the extraordinary levels in Q1 last year.

Geographically, almost all regions delivered lower gross profit. The biggest declines were reported in APAC and Americas, whereas strong growth was observed in the Middle East and Africa.

EBIT before special items

EBIT before special items came to DKK 2,627 million for Q1 2024, compared to DKK 3,626 million for the same period last year. In constant currencies, EBIT before special items declined 26.0%. Q1 is normally the quarter with the lowest activity.

The decline in EBIT before special items was due to lower gross profit, which was partially offset by a reduced cost base compared to last year. The division initiated various cost initiatives last year, reducing both staff cost and other external cost. The cost base will continue to be adjusted to match activity levels.

The conversion ratio was 45.6% for Q1 2024, compared to 51.6% for the same period last year. The decline is primarily due to lower average freight yields.

Net working capital

The Air & Sea division's net working capital came to DKK 2,714 million on 31 March 2024, compared to DKK 2,738 million on 31 March 2023.

Air & Sea freight performance

(DKKm)	Air freight	
	Q1 2024	Q1 2023
Divisional revenue	12,167	14,265
Direct costs	9,272	10,538
Gross profit	2,895	3,727
Gross margin (%)	23.8	26.1
Volume (tonnes)*	335,213	327,712
Gross profit per unit (DKK)	8,636	11,373

(DKKm)	Sea freight	
	Q1 2024	Q1 2023
Divisional revenue	10,549	11,948
Direct costs	7,681	8,648
Gross profit	2,868	3,300
Gross margin (%)	27.2	27.6
Volume (TEUs)*	636,544	588,207
Gross profit per unit (DKK)	4,506	5,610

* Volume is defined as the quantity of export cargo processed within DSV network. Sea volume is measured in TEUs (twenty-foot equivalent units), while air volume is determined by chargeable weight, quantified in tonnes.

Road

The Road division is among the market leaders in Europe and has operations in North America, South Africa and in the Middle East. The division offers full load, part load and groupage services through a network of more than 250 terminals.

In Q1 2024, the Road division achieved results in line with our expectations. The division performed strongly and gained market share resulting in a stable gross profit, despite a weak market with lower activity levels in several industries and fewer working days in the quarter.

Statement of profit or loss

(DKKm)	Q1 2024	Q1 2023
Divisional revenue	10,425	10,094
Direct costs	8,461	8,118
Gross profit	1,964	1,976
Other external costs	324	363
Staff costs	937	902
EBITDA before special items	703	711
Amortisation and depreciation	213	216
EBIT before special items	490	495

Key figures and ratios

	Q1 2024	Q1 2023
Gross margin (%)	18.8	19.6
Operating margin (%)	4.7	4.9
Conversion ratio (%)	24.9	25.1
Full-time employees	16,718	16,291
Total invested capital (DKKm)	12,983	11,312
Net working capital (DKKm)	1,409	87
ROIC before tax (%)	16.5	18.6

Quarterly highlights

In Q1 2024, we continued developing our European groupage network, which showed strong momentum during the quarter. We also continued the streamlining of our pan-European control tower set-ups, which further strengthened the services to large customers. Both of these initiatives are fundamental enablers for the positive development of our profitable international activities in the division. Executing on our strategy has resulted in continued above-market growth.

Market development

As a result of muted activity across multiple industries, road market volumes are slightly down in Q1 2024 compared to the same period last year. This development generated lower freight rates across most road activities in Europe.

Divisional revenue

The division's revenue amounted to DKK 10,425 million for Q1 2024, compared to DKK 10,094 million last year.

For the quarter, the increase in revenue was driven by additional volumes in our groupage network, which were partly offset by lower market rates and fewer working days compared to the same period last year.

The division generates more than 85% of its revenue in Europe and saw good performance across most countries in the region.

Gross profit

For Q1 2024, gross profit totalled DKK 1,964 million, compared to DKK 1,976 million for the same period last year.

The division's gross margin was 18.8% for Q1 2024, compared to 19.6% for the same period in 2023. The lower gross margin can be attributed to the competitive nature of the current market. The division maintains focus on developing and growing its European groupage operations, which will have a positive impact on the gross margin over time.

EBIT before special items

EBIT before special items was DKK 490 million for Q1 2024, which was on level with last year. The division performed well in a declining market. The cost base for Q1 2024 was stable compared to the previous quarter.

The conversion ratio came to 24.9% for Q1 2024, compared to 25.1% for the same period last year. The conversion ratio was impacted by fewer working days in the quarter and by implementation cost on a large contract.

Net working capital

The Road division's net working capital was DKK 1,409 million on 31 March 2024, compared to DKK 87 million on 31 March 2023. The development was impacted by an increase in funds tied up in property projects, especially related to the new terminal in Horsens, Denmark, which will be one of the largest road terminals in Europe. NWC is expected to normalise during 2024.

Growth Road 2023 - 2024

(DKKm)	Q1 2023	Currency translation	Q1 2023 in constant currencies	Growth	Growth %*	Q1 2024
Divisional revenue	10,094	(4)	10,090	335	3.3%	10,425
Gross profit	1,976	2	1,978	(14)	(0.7%)	1,964
EBIT before special items	495	4	499	(9)	(1.8%)	490

* Growth in constant currencies

Solutions

The Solutions division offers warehousing and logistics services globally and controls more than 500 logistics facilities. The service portfolio includes freight management, customs clearance, order management and e-commerce solutions.

In Q1 2024, the Solutions division achieved solid gross profit growth of 5.8% compared to the same period last year without any increase in number of full-time employees, benefiting from prior years investments in new warehouses and automation. However, EBIT declined due to lower warehouse utilisation rate, which mainly relates to temporary, and expected, reduced occupancy at new sites.

Statement of profit or loss

(DKKm)	Q1 2024	Q1 2023
Divisional revenue	5,989	5,625
Direct costs	3,588	3,340
Gross profit	2,401	2,285
Other external costs	437	453
Staff costs	650	588
EBITDA before special items	1,314	1,244
Amortisation and depreciation	814	696
EBIT before special items	500	548

Key figures and ratios

	Q1 2024	Q1 2023
Gross margin (%)	40.1	40.6
Operating margin (%)	8.3	9.7
Conversion ratio (%)	20.8	24.0
Full-time employees	31,395	31,511
Total invested capital (DKKm)	26,561	23,660
Net working capital (DKKm)	3,204	1,741
ROIC before tax (%)	9.2	10.7

Quarterly highlights

In the Solutions division, we continued executing on our long-term strategy for consolidation and developing multi-client warehouse campuses based on roadmaps for each region. In Q1 2024 we added new warehouse space in Europe and South Africa. Executing on our strategy has resulted in continued above-market growth.

Market development

In Q1 2024, the market for contract logistics was relatively stable compared to last year. The market continues to see low inventory levels, and demand is still weak across most sectors.

We have added more new sites across all regions. This has a temporary dilutive effect on the warehouse utilisation ratio compared to last year.

Divisional revenue

The division's revenue was DKK 5,989 million for Q1 2024, compared to DKK 5,625 million for the same period of 2023. In constant currencies, revenue increased 7.3%.

The strong revenue performance for the quarter was due to higher activity measured by number of order lines handled compared to last year.

Geographically, the best performing regions for Q1 2024 were EMEA and Americas.

Gross profit

For Q1 2024, gross profit was DKK 2,401 million, compared to DKK 2,285 million for the same period of 2023. In constant currencies, gross profit was up by 5.8%.

The division's gross margin was 40.1% for Q1 2024, compared to 40.6% for the same period last year.

The division's campus strategy of consolidating into large and efficient warehouses with increased automation was a key driver behind the division's ability to maintain a strong gross margin while adding new capacity.

EBIT before special items

EBIT before special items was DKK 500 million for Q1 2024, compared to DKK 548 million for the same period of 2023, and was down by 8.8% in constant currencies.

EMEA saw the strongest regional EBIT performance compared to last year.

The conversion ratio was 20.8% for Q1 2024, compared to 24.0% for the same period last year. In the first quarter of 2024, the cost base was impacted by the expansion of new warehouses, resulting in higher depreciations on leased assets. As new capacity is not yet fully utilised, the division is currently operating with a utilisation rate slightly below the previous year. This has a temporary dilutive impact on the conversion ratio.

Net working capital

The division's net working capital came to DKK 3,204 million on 31 March 2024, compared to DKK 1,741 million on 31 March 2023. The development was impacted by an increase in funds tied up in property projects related to new sites.

Growth Solutions 2023 – 2024

(DKKm)	Q1 2023	Currency translation	Q1 2023 in constant currencies	Growth	Growth %*	Q1 2024
Divisional revenue	5,625	(45)	5,580	409	7.3%	5,989
Gross profit	2,285	(15)	2,270	131	5.8%	2,401
EBIT before special items	548	-	548	(48)	(8.8%)	500

* Growth in constant currencies

Interim financial statements

Statement of profit or loss

(DKKm)	Q1 2024	Q1 2023
Revenue	38,340	40,954
Direct costs	28,075	29,563
Gross profit	10,265	11,391
Other external costs	1,143	1,340
Staff costs	4,090	4,110
Operating profit before amortisation and depreciation (EBITDA) before special items	5,032	5,941
Amortisation and depreciation	1,391	1,269
Operating profit (EBIT) before special items	3,641	4,672
Financial income	28	90
Financial expenses	512	436
Profit before tax	3,157	4,326
Tax on profit for the period	764	1,039
Profit for the period	2,393	3,287
<i>Profit for the period attributable to:</i>		
Shareholders of DSV A/S	2,377	3,266
Non-controlling interests	16	21
<i>Earnings per share:</i>		
Earnings per share of DKK 1 for the period	11.4	15.1
Diluted earnings per share of DKK 1 for the period	11.3	14.9

Statement of comprehensive income

(DKKm)	Q1 2024	Q1 2023
Profit for the period	2,393	3,287
<i>Items that may be reclassified to profit or loss when certain conditions are met:</i>		
Net foreign exchange differences recognised in OCI	88	(901)
Fair value adjustments of hedging instruments	3	(2)
Fair value adjustments of hedging instruments transferred to financial expenses	1	2
Tax on items reclassified to profit or loss	(1)	-
<i>Items that will not be reclassified to profit or loss:</i>		
Actuarial gains/(losses)	59	(84)
Tax on items that will not be reclassified	(14)	16
Other comprehensive income, net of tax	136	(969)
Total comprehensive income	2,529	2,318
<i>Total comprehensive income attributable to:</i>		
Shareholders of DSV A/S	2,507	2,299
Non-controlling interests	22	19
Total	2,529	2,318

Statement of cash flows

(DKKm)	Q1 2024	Q1 2023
Operating profit before amortisation and depreciation (EBITDA) before special items	5,032	5,941
<i>Adjustments:</i>		
Share-based payments	73	53
Change in provisions	(7)	(6)
Change in working capital	(2,092)	1,989
Special items, paid	-	(132)
Interest received	28	90
Interest paid, lease liabilities	(252)	(195)
Interest paid, other	(237)	(198)
Income tax paid	(789)	(1,421)
Cash flow from operating activities	1,756	6,121
Purchase of intangible assets	(80)	(90)
Purchase of property, plant and equipment	(561)	(408)
Disposal of property, plant and equipment	417	15
Change in other financial assets	(134)	86
Cash flow from investing activities	(358)	(397)
Free cash flow	1,398	5,724
Proceeds from borrowings	2,326	424
Repayment of borrowings	(64)	(47)
Repayment of lease liabilities	(955)	(958)
Other financial liabilities incurred	(2)	(3)
<i>Transactions with shareholders:</i>		
Dividends distributed to shareholders of DSV A/S	(1,533)	(1,424)
Purchase of treasury shares	(1,613)	(3,019)
Sale of treasury shares	492	888
Other transactions with shareholders and non-controlling interests	70	(5)
Cash flow from financing activities	(1,279)	(4,144)
Cash flow for the period	119	1,580
Cash and cash equivalents 1 January	6,452	10,160
Cash flow for the period	119	1,580
Currency translation	(57)	(58)
Cash and cash equivalents end of period	6,514	11,682
<i>The statement of cash flows cannot be directly derived from the statement of financial position and statement of profit or loss.</i>		
Statement of adjusted free cash flow (DKKm)	Q1 2024	Q1 2023
Free cash flow	1,398	5,724
Special items (reversed)	-	132
Repayment of lease liabilities	(955)	(958)
Adjusted free cash flow	443	4,898

Statement of financial position

Assets (DKKm)	31.03.2024	31.12.2023	31.03.2023
Intangible assets	77,188	77,106	77,020
Right-of-use assets	16,698	15,655	14,782
Property, plant and equipment	6,158	6,214	6,363
Other receivables	2,432	2,461	2,371
Deferred tax assets	3,137	3,300	3,396
Total non-current assets	105,613	104,736	103,932
Trade receivables	24,303	22,296	26,570
Contract assets	6,037	4,985	4,724
Inventories	5,073	4,314	2,602
Other receivables	4,452	4,283	5,217
Cash and cash equivalents	6,514	6,452	11,682
Assets held for sale	31	44	45
Total current assets	46,410	42,374	50,840
Total assets	152,023	147,110	154,772
Equity and liabilities (DKKm)	31.03.2024	31.12.2023	31.03.2023
Share capital	219	219	219
Reserves	(633)	(718)	19
Retained earnings	69,043	69,202	70,265
DSV A/S shareholders' share of equity	68,629	68,703	70,503
Non-controlling interests	285	263	217
Total equity	68,914	68,966	70,720
Lease liabilities	15,114	14,139	13,236
Borrowings	20,485	20,004	21,433
Pensions and other post-employment benefit plans	1,218	1,281	1,270
Provisions	3,898	3,772	4,179
Deferred tax liabilities	575	609	464
Total non-current liabilities	41,290	39,805	40,582
Lease liabilities	3,970	3,808	3,611
Borrowings	3,886	2,139	1,221
Trade payables	14,297	13,111	13,514
Accrued cost of services	8,419	7,920	10,460
Provisions	1,879	1,967	2,325
Other payables	8,191	8,138	9,688
Tax payables	1,177	1,256	2,651
Total current liabilities	41,819	38,339	43,470
Total liabilities	83,109	78,144	84,052
Total equity and liabilities	152,023	147,110	154,772

Statement of changes in equity at 31 March 2024

Attributable to shareholders of DSV A/S

(DKKm)	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2024	219	(718)	69,202	68,703	263	68,966
Profit for the period	-	-	2,377	2,377	16	2,393
Other comprehensive income, net of tax	-	85	45	130	6	136
Total comprehensive income for the period	-	85	2,422	2,507	22	2,529
<i>Transactions with shareholders and non-controlling interests:</i>						
Share-based payments	-	-	73	73	-	73
Tax on share-based payments	-	-	(70)	(70)	-	(70)
Dividends distributed	-	-	(1,533)	(1,533)	-	(1,533)
Purchase of treasury shares	-	(1)	(1,612)	(1,613)	-	(1,613)
Sale of treasury shares	-	1	491	492	-	492
Dividends on treasury shares	-	-	75	75	-	75
Other adjustments	-	-	(5)	(5)	-	(5)
Total equity transactions	-	-	(2,581)	(2,581)	-	(2,581)
Equity at 31 March 2024	219	(633)	69,043	68,629	285	68,914

Statement of changes in equity at 31 March 2023

Attributable to shareholders of DSV A/S

(DKKm)	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2023	219	919	70,381	71,519	222	71,741
Profit for the period	-	-	3,266	3,266	21	3,287
Other comprehensive income, net of tax	-	(899)	(68)	(967)	(2)	(969)
Total comprehensive income for the period	-	(899)	3,198	2,299	19	2,318
<i>Transactions with shareholders and non-controlling interests:</i>						
Share-based payments	-	-	53	53	-	53
Tax on share-based payments	-	-	168	168	-	168
Dividends distributed	-	-	(1,424)	(1,424)	(24)	(1,448)
Purchase of treasury shares	-	(3)	(3,016)	(3,019)	-	(3,019)
Sale of treasury shares	-	2	886	888	-	888
Dividends on treasury shares	-	-	19	19	-	19
Total equity transactions	-	(1)	(3,314)	(3,315)	(24)	(3,339)
Equity at 31 March 2023	219	19	70,265	70,503	217	70,720

Notes to the interim financial statements

1 Material accounting policy information

This Interim Financial Report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union and additional disclosure requirements for listed companies under the Danish Financial Statements Act.

Material accounting policy information applied in preparing the Interim Financial Report are consistent with those applied in preparing the DSV Annual Report 2023. The DSV Annual Report 2023 provides a full description of the Group's accounting policies.

Changes in accounting policies

The DSV Group has implemented amendments to the IFRS Accounting Standards effective as of 1 January 2024 as adopted by the European Union.

None of the amendments implemented have had any material impact on the Group's financial statements, nor are they expected to have so in the foreseeable future.

2 Management judgements and estimates

In preparing the interim financial statements, Management makes various accounting judgements and estimates that affect

4 Segment information - divisions

(DKK)m	Air & Sea		Road		Solutions		Non-allocated items and eliminations		Total	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
<i>Condensed statement of profit or loss</i>										
Revenue	22,577	26,062	9,763	9,409	5,876	5,429	124	54	38,340	40,954
Intersegment revenue	139	151	662	685	113	196	(914)	(1,032)	-	-
Divisional revenue	22,716	26,213	10,425	10,094	5,989	5,625	(790)	(978)	38,340	40,954
Direct costs	16,953	19,186	8,461	8,118	3,588	3,340	(927)	(1,081)	28,075	29,563
Gross profit	5,763	7,027	1,964	1,976	2,401	2,285	137	103	10,265	11,391
Other external costs	908	1,023	324	363	437	453	(526)	(499)	1,143	1,340
Staff costs	1,943	2,093	937	902	650	588	560	527	4,090	4,110
Operating profit before amortisation, depreciation (EBITDA) before special items	2,912	3,911	703	711	1,314	1,244	103	75	5,032	5,941
Amortisation and depreciation	285	285	213	216	814	696	79	72	1,391	1,269
Operating profit (EBIT) before special items*	2,627	3,626	490	495	500	548	24	3	3,641	4,672
<i>Condensed statement of financial position</i>										
Total assets	82,720	89,919	26,245	25,147	34,499	29,599	8,559	10,107	152,023	154,772
Total liabilities	50,695	62,276	19,856	18,233	27,984	23,519	(15,426)	(19,976)	83,109	84,052

* Reference is made to the statement of profit or loss for reconciliation of operating profit (EBIT) before special items to profit for the period.

the reported amounts and disclosures in the financial statements and in the notes to the statements. These are based on professional experience, historical data and other factors available to Management.

By nature, a degree of uncertainty is involved when carrying out these judgements and estimates, hence actual results may deviate from the assessments made at the reporting date. Judgements and estimates are continuously evaluated, and the effects of any changes are recognised in the relevant period.

Primary financial statement items in which more significant accounting judgements and estimates are applied are listed in Chapter 1 of the Notes to the 2023 DSV Annual Report to which is referred.

3 New accounting regulations

The IASB has issued a number of new standards and amendments not yet in effect or adopted by the EU and therefore not relevant for the preparation of the Q1 2024 Interim Financial Report.

5 Revenue

Services and geographical segmentation of revenue (DKKm)	EMEA		Americas		APAC		Total	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
Air services	5,053	5,840	3,416	4,444	3,698	3,981	12,167	14,265
Sea services	5,287	5,871	3,405	4,016	1,857	2,061	10,549	11,948
Road services	9,553	9,190	872	904	-	-	10,425	10,094
Solutions services	4,006	3,644	1,196	1,147	787	834	5,989	5,625
Total	23,899	24,545	8,889	10,511	6,342	6,876	39,130	41,932
Non-allocated items and eliminations							(790)	(978)
Total revenue							38,340	40,954

6 Financial instruments – fair value hierarchy

Derivative financial instruments

DSV has no financial instruments measured at fair value based on level 1 input (quoted active market prices) or level 3 input (non-observable market data). Derivative financial instruments are measured based on level 2 input (input other than quoted prices that are observable either directly or indirectly). The fair value of currency derivatives is determined based on generally accepted valuation methods using available observable market data. Calculated fair values are verified against comparable external market quotes on a monthly basis.

Issued bonds

The fair value of issued bonds measured at amortised cost is within level 1 of the fair value hierarchy.

Overdraft and credit facilities

The carrying amount of overdraft and credit facilities measured at amortised cost is not considered to differ significantly from the fair value.

Trade receivables, trade payables and other receivables

Receivables and payables pertaining to operating activities with short churn ratios are considered to have a carrying amount equal to fair value.

Cash and cash equivalents

The carrying amount of cash and cash equivalents is not considered to differ significantly from the fair value.

(DKKm)	31 March 2024		31 December 2023	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<i>Financial assets:</i>				
Currency derivatives	18	18	37	37
Trade receivables	24,303	24,303	22,296	22,296
Other receivables	6,884	6,884	6,744	6,744
Cash and cash equivalents	6,514	6,514	6,452	6,452
Tax on items reclassified to the profit or loss	37,701	37,701	35,492	35,492
<i>Financial liabilities</i>				
Currency derivatives	13	13	-	-
Issued bonds measured at amortised cost	21,970	18,172	21,450	18,364
Overdraft and credit facilities	2,389	2,389	677	677
Trade payables	14,297	14,297	13,111	13,111
Financial liabilities measured at amortised cost	38,656	34,858	35,238	32,152

7 Share options schemes

DSV has launched a new 2024 share-based payment incentive scheme with the purpose of motivating and retaining key employees across the organisation and aligning the interests of these with our shareholders. Share options are awarded to key employees and Executive Management.

Share options are granted pursuant to the DSV Remuneration Policy as adopted at the Extraordinary General Meeting held on 8 September 2021.

The share options granted are equity-settled and can be exercised by cash purchase of shares only during the exercise period. The obligation relating to the share options scheme is covered by the Company's treasury shares.

The exercise price of share options granted amounts to DKK 1,106 and has been determined based on the average quoted market price of the DSV share for the last five trading days leading up to the date of grant at 31 March 2024.

The fair value of the 2024 share options granted amounts to DKK 396 million and has been determined based on a Black & Scholes valuation model.

Key assumptions applied in the valuation are:

Vesting period	01.04.2024-31-03.2027
Exercise period	01.04.2027-31-03.2029
Number of employees included	2,195
<i>Number of options granted:</i>	
Executive Board	116,945
Key employees	1,900,220
Total	2,017,165
<i>Value assumptions:</i>	
Exercise price	1,106
Volatility (%)	20
Risk-free interest rate (%)	2.97
Expected dividend (%)	0.80
Expected remaining life (years)	3.5

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today considered and adopted the Interim Financial Report of DSV A/S for the three-month period ended 31 March 2024.

The Interim Financial Report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union and additional requirements in accordance with the Danish Financial Statements Act.

In our opinion, the Interim Financial Statements give a true and fair view of the financial position on 31 March 2024 and the profit or loss and cash flows of the Group for the three-month period ended 31 March 2024.

We also find that the Management's commentary provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period, the general financial position of the Group and a description of the major risks and elements of uncertainty faced by the Group. Aside from the disclosures in the Interim Financial Report, no changes in the Group's most significant risks and uncertainties have occurred relative to the disclosures in the Annual Report for 2023.

Hedehusene, 24 April 2024

Executive Board:

Jens H. Lund
CEO

Michael Ebbe
CFO

Brian Ejning
COO

Board of Directors:

Thomas Plenborg
Chairman

Jørgen Møller
Deputy Chairman

Marie-Louise Aamund

Beat Walti

Niels Smedegaard

**Tarek Sultan
Al-Essa**

Benedikte Leroy

**Helle Østergaard
Kristiansen**