



# INTERIM FINANCIAL REPORT

## Q3 2021

Company Announcement No. 924

26 October 2021

### Selected key figures and ratios for the period 1 January – 30 September 2021

(DKKm)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
<b>Key figures and ratios</b>				
Revenue	49,557	28,125	121,004	84,216
Gross profit	9,823	7,252	25,941	21,322
Operating profit (EBIT) before special items	4,472	2,725	11,110	6,904
Special items, costs	154	453	154	1,479
Profit after tax	3,161	1,337	8,017	3,058
Adjusted earnings for the period	3,331	1,746	8,301	4,339
Adjusted free cash flow			3,718	5,674
Conversion ratio	45.5%	37.6%	42.8%	32.4%
Diluted adjusted earnings per share of DKK 1 for the last 12 months			43.9	21.7

Jens Bjørn Andersen, Group CEO: *"In August, we completed the acquisition of Agility's Global Integrated Logistics business and took over a well-run company and were joined by a team of skilled new colleagues. The integration is off to a good start, and in the coming period our two organisations will be merged into one. The transport markets continue to be characterised by disruption and imbalances causing extraordinary challenges for both our customers and us. Under the extraordinary market conditions, we are happy to report solid results across all divisions."*

### Outlook for 2021

On 11 October 2021, we pre-released the Q3 2021 numbers and upgraded the outlook for 2021. The guidance for 2021 is reiterated and the expected special items regarding the integration are added:

- EBIT before special items is expected to be in the range of DKK 15,250-16,000 million
- The effective tax rate is expected to be approximately 23%
- Transaction and integration costs (special items) is expected to be in the level of DKK 500 million in 2021

### Synergies and integration costs

Once fully integrated, Agility's Global Integrated Logistics business is expected to contribute approximately DKK 3,000 million (previously 2,800 million) to the combined EBIT before special items on an annual basis. The integration is expected to be completed by the end of Q3 2022 and the full-year EBIT effect is expected in 2023. The estimated EBIT impact includes the underlying result in Agility GIL and synergies from the consolidation of operations, logistics facilities, back-office functions and IT infrastructure.

Around 30% of the EBIT contribution is expected to impact the income statement in 2021, around 85% in 2022 and 100% in 2023. Total transaction and integration costs are expected in the level of DKK 1,500 million. These costs will be charged to the income statement under special items. We expect that approximately DKK 500 million of the special items (transaction and integration costs) will materialise in 2021 and the rest in 2022.

### Share buyback

A separate company announcement about the launch of a new share buyback programme of up to DKK 5,000 million will be issued today. The programme will run until 8 February 2022 or earlier if finalised.

### Contacts

*Investor Relations:* Flemming Ole Nielsen, tel. +45 43 20 33 92, [flemming.o.nielsen@dsv.com](mailto:flemming.o.nielsen@dsv.com)

*Media:* Maiken Riise Andersen, tel. +45 43 20 30 74, [maiken.r.andersen@dsv.com](mailto:maiken.r.andersen@dsv.com)

Yours sincerely,  
DSV A/S

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

### DSV Group

We provide and manage supply chain solutions for thousands of companies every day – from the small family run business to the large global corporation.

Our reach is global, yet our presence is local and close to our customers. 75,000 employees in more than 90 countries work passionately to deliver great customer experiences and high-quality services. Read more at [www.dsv.com](http://www.dsv.com)

## Financial highlights

	Q3 2021	Q3 2020	YTD 2021	YTD 2020
<b>Results (DKKm)</b>				
Revenue	49,557	28,125	121,004	84,216
Gross profit	9,823	7,252	25,941	21,322
Operating profit before amortisation and depreciation (EBITDA) before special items	5,516	3,713	14,077	9,983
Operating profit (EBIT) before special items	4,472	2,725	11,110	6,904
Special items, costs	154	453	154	1,479
Net financial expenses	165	478	439	1,297
Profit for the period	3,161	1,337	8,017	3,058
Adjusted earnings for the period	3,331	1,746	8,301	4,339
<b>Cash flows (DKKm)</b>				
Operating activities			6,271	7,139
Investing activities			788	(629)
Free cash flow			7,059	6,510
Adjusted free cash flow			3,718	5,674
Share buyback			(12,715)	(3,030)
Dividends distributed			(920)	(588)
Cash flow for the period			3,739	1,116
<b>Financial position (DKKm)</b>				
DSV A/S shareholders' share of equity			74,225	48,122
Balance sheet total			156,365	94,944
Net working capital			8,815	3,402
Net interest-bearing debt			28,316	16,599
Invested capital			100,316	65,018
Gross investment in property, plant and equipment			745	676
<b>Financial ratios (%)*</b>				
Gross margin	19.8	25.8	21.4	25.3
Operating margin	9.0	9.7	9.2	8.2
Conversion ratio	45.5	37.6	42.8	32.4
Effective tax rate	23.9	25.5	23.8	25.9
ROIC before tax			16.6	12.9
Return on equity (ROE)			15.0	7.1
Solvency ratio			47.5	50.7
Gearing ratio			1.6	1.3
<b>Share ratios*</b>				
Earnings per share of DKK 1 for the last 12 months			40.8	15.3
Diluted adjusted earnings per share of DKK 1 for the last 12 months			43.9	21.7
Number of shares issued ('000)			240,000	230,000
Number of treasury shares ('000)			2,351	2,110
Average number of shares issued ('000) for the last 12 months			225,348	228,016
Average diluted number of shares ('000) for the last 12 months			230,194	231,787
Share price end of period (DKK)			1,540.5	1,037.5
<b>Non-Financials</b>				
Number of full-time employees at 30 September			79,325	56,090

\* For a definition of key figures and ratios, please refer to page 79 of the 2020 DSV Annual Report.

# Management's commentary

The Group achieved a gross profit of DKK 25,941 million for the first nine months of 2021, compared to DKK 21,322 million for the same period last year. The increase was driven by higher activity across all divisions and positive impact from extraordinary market conditions on the global transport markets.

EBIT before special items for the first nine months of 2021 came to DKK 11,110 million, compared to DKK 6,904 million for the same period last year. The increase was attributable to a combination of increased gross profit and higher productivity, reflected in a record-high conversion ratio of 42.8% for the Group.

Agility's Global Integrated Logistics business was included in the consolidated results as per 16 August 2021.

For the rolling 12-month period ended 30 September 2021, the Group achieved a 102% increase in diluted adjusted earnings per share.

## FINANCIAL DEVELOPMENT 2020 - 2021

(DKKm)	Q3 2020	Change				Q3 2021
		Currency translation	Agility GIL	Growth	Growth %*	
Revenue	28,125	183	4,395	16,854	59.5%	49,557
Gross profit	7,252	68	866	1,637	22.4%	9,823
EBIT before special items	2,725	30	270	1,447	52.5%	4,472
Gross margin (%)	25.8					19.8
Operating margin (%)	9.7					9.0
Conversion ratio (%)	37.6					45.5

(DKKm)	YTD 2020	Change				YTD 2021
		Currency translation	Agility GIL	Growth	Growth %*	
Revenue	84,216	(1,569)	4,395	33,962	41.1%	121,004
Gross profit	21,322	(345)	866	4,098	19.5%	25,941
EBIT before special items	6,904	(119)	270	4,055	59.8%	11,110
Gross margin (%)	25.3					21.4
Operating margin (%)	8.2					9.2
Conversion ratio (%)	32.4					42.8

\* In constant currencies excluding GIL impact

## Integration of Agility's Global Integrated Logistics business

The acquisition of Agility's Global Integrated Logistics business (GIL) was closed on 16 August 2021, as of which date GIL has been included in the consolidated financial statements of DSV. DSV acquired GIL in an all-share transaction, and a total of 19,304,348 DSV shares was used as consideration. The enterprise value of the transaction was approximately DKK 30.2 billion.

GIL is a significant global provider of supply chain solutions, employing more than 17,000 employees globally and with a strong presence in the Middle East and APAC.

The business combination had a significant impact on the consolidated balance sheet of the Group, but only limited impact on the income statement year-to-date in 2021.

We have initiated the operational and legal integration of GIL, while focusing on maintaining a high service level towards our customers in the transition phase. Once fully integrated, GIL is expected to contribute with approximately DKK 3,000 million (previously 2,800 million) to the combined EBIT before special items on an annual basis. The EBIT impact includes synergies from the consolidation of operations, logistics facilities, back-office functions and IT infrastructure, and we expect full-year effect from 2023.

Around 30% of the EBIT contribution is expected to impact the income statement in 2021, around 85% in 2022 and 100% in

2023. Total transaction and integration costs are expected in the level of DKK 1,500 million. These costs will be charged to the income statement under special items. We expect that approximately DKK 500 million of the transaction and integration costs will materialise in 2021 and the rest in 2022.

The GIL activities have been included in the existing DSV divisional structure. The acquisition will have the largest impact on the Air & Sea division. Approximately 75-80% of the activities of GIL are air and sea freight related and the rest are Road and Solutions services. For further information, please see note 6.

## Results for the period

### Revenue

For the first nine months of 2021, revenue amounted to DKK 121,004 million, compared to DKK 84,216 million last year. Adjusted for exchange rate fluctuations and excluding GIL, growth for the nine-month period was 41.1%.

Revenue by division compared to same period last year is specified below:

(DKK m)	Q3 2021	Growth*	YTD 2021	Growth*
Air & Sea	36,861	85.0%	85,733	57.2%
Road	8,783	12.1%	25,502	12.5%
Solutions	4,739	20.3%	12,345	17.6%
Group and eliminations	(826)		(2,576)	
<b>Total</b>	<b>49,557</b>	<b>59.5%</b>	<b>121,004</b>	<b>41.1%</b>

\* In constant currencies excluding GIL impact

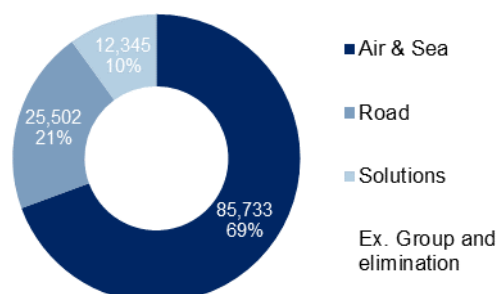
The revenue growth in Air & Sea was driven by higher freight rates and higher transport volumes, mainly in air freight. The market was negatively impacted by COVID-19 in 2020, but activity levels have recovered in 2021 in most markets, most significantly on the Trans-Pacific trade lanes.

The pandemic continues to create operational disruption due to consequences of the COVID-19 lockdowns, congestion at ports and lack of equipment, which impact available capacity for both air freight and sea freight. This has led to record-high freight rates, and the situation has worsened during Q3 2021 for both air and sea freight.

The revenue contribution from GIL (1.5 months) came to DKK 4,395 million in Q3 2021, of which DKK 3,580 million was included in Air & Sea and was impacted by the same market factors.

Road and Solutions have also achieved strong growth in revenue, driven by a continued recovery of volumes compared to 2020 and market share gains in both divisions. Growth in Road and Solutions was also positively impacted by the addition of GIL and a couple of smaller acquisitions (Prime Cargo and Globeflight).

Revenue by division, YTD 2021



### Gross profit

For the first nine months of 2021, gross profit amounted to DKK 25,941 million, compared to DKK 21,322 million last year. In constant currencies and excluding GIL, increase in gross profit was 19.5%.

Gross profit by division compared to same period last year is specified below:

(DKK m)	Q3 2021	Growth*	YTD 2021	Growth*
Air & Sea	6,314	31.3%	16,244	24.7%
Road	1,745	5.9%	5,170	12.4%
Solutions	1,717	13.5%	4,442	11.1%
Group and eliminations	47		85	
<b>Total</b>	<b>9,823</b>	<b>22.4%</b>	<b>25,941</b>	<b>19.5%</b>

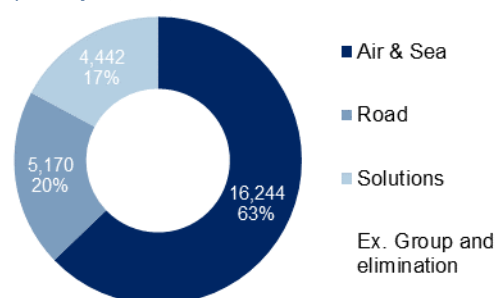
\* In constant currencies excluding GIL impact

The increase in Air & Sea was mainly driven by volume growth in air freight and improved yields in sea freight. The yields were positively impacted by the extraordinary market conditions characterised by volatility, tight capacity and high freight rates.

The gross profit contribution from GIL (1.5 months) came to DKK 866 million in Q3 2021, of which DKK 624 million were included in Air & Sea. Similar to DSV, the gross profit from the GIL activities was positively impacted by the market conditions.

In Road and Solutions, the increase in gross profit was driven by growth in activity compared to 2020, as markets have generally recovered.

Gross profit by division, YTD 2021



The gross margin was 21.4% for the first nine months, compared to 25.3% for the same period last year. The decline mainly relates to Air & Sea, where higher freight rates cause higher pass-through revenue and thus a lower gross margin. Furthermore, the GIL business carries lower average gross

margin.

## EBIT before special items

EBIT before special items amounted to DKK 11,110 million for the first nine months of 2021, compared to DKK 6,904 million last year. In constant currencies and excluding GIL, increase in EBIT before special items was 59.8%.

EBIT by division compared to same period last year is specified below:

(DKKm)	Q3 2021	Growth*	YTD 2021	Growth*
Air & Sea	3,521	65.1%	8,757	67.5%
Road	465	(1.1%)	1,344	36.7%
Solutions	486	39.5%	1,027	38.1%
Group and eliminations	-		(18)	
<b>Total</b>	<b>4,472</b>	<b>52.5%</b>	<b>11,110</b>	<b>59.8%</b>

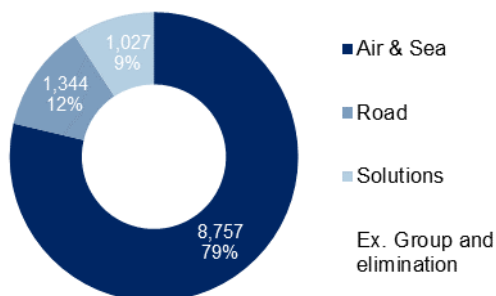
\* In constant currencies excluding GIL impact

The increase in EBIT was driven by the increase in gross profit in all divisions combined with the effect of continued strong cost management and GIL activity.

The EBIT before special items from GIL (1.5 months) came to DKK 270 million in Q3 2021, of which DKK 198 million were included in Air & Sea. The EBIT contribution from GIL in Q3 was positively impacted by the extraordinary logistics markets and does not reflect normalised full-year result.

Conversion ratio for the Group reached 42.8% for the first nine months, compared to 32.4% for the same period last year. The increase was driven by the full-year impact of Panalpina synergies and cost savings, but was also positively impacted by the current extraordinary market conditions.

EBIT by division, YTD 2021



## Transaction and integration costs

Transaction and integration costs (reported under special items, costs) totalled DKK 154 million for the first nine months of 2021 (2020: DKK 1,479 million) and consist of transaction and integration costs related to the acquisition of GIL.

## Financial items

Financial items totalled a net expense of DKK 439 million for the first nine months, compared to DKK 1,297 million for the same period last year.

Foreign exchange adjustments amounted to an income of DKK 148 million (first nine months of 2020: expense of DKK 797

million) and were primarily related to intercompany loans between DSV entities in different countries and had no cash impact.

(DKKm)	YTD 2021	YTD 2020
Interest on lease liabilities	352	318
Other interest cost, net	224	165
Interest on pensions	11	17
Foreign exchange adjustments	(148)	797
<b>Financial expenses</b>	<b>439</b>	<b>1,297</b>

## Tax on profit for the period

The effective tax rate came to 23.8% for the first nine months, compared to 25.9% for the same period last year. The effective tax rate for the Group is normally around 23%; however, the effective tax rate can be impacted by non-deductible transactions and integration costs during large integrations.

## Profit for the period

Profit for the first nine months of 2021 was DKK 8,017 million, compared to DKK 3,058 million for the same period of 2020. The improved profit for the period was driven by higher EBIT and lower net financial expenses.

## Diluted adjusted earnings per share

The rolling 12-month figure increased by 102% compared to last year and came to DKK 43.9 per share (2020: DKK 21.7 per share). The capital increase carried out in August 2021 has not yet fully impacted the average number of shares. The impact from the capital increase will gradually materialise over a 12-month period.

## Cash flow

### CASH FLOW STATEMENT

(DKKm)	YTD 2021	YTD 2020
Cash flow from operating activities	6,271	7,139
Cash flow from investing activities	788	(629)
<b>Free cash flow</b>	<b>7,059</b>	<b>6,510</b>
<b>Cash flow from financing activities</b>	<b>(3,320)</b>	<b>(5,394)</b>
<b>Cash flow for the period</b>	<b>3,739</b>	<b>1,116</b>
Free cash flow	7,059	6,510
Repayment of lease liabilities	(2,261)	(2,342)
Net acquisition of subsidiaries and activities	(1,631)	-
Special items (restructuring costs)	551	1,506
<b>Adjusted free cash flow</b>	<b>3,718</b>	<b>5,674</b>

Cash flow from operating activities was positively affected by higher EBITDA before special items, offset by an increase in NWC mainly caused by the high freight rates resulting in the significant growth in trade receivables during 2021.

Cash flow from investing activities amounted to DKK 788 million for the first nine months of 2021, compared to a negative cash flow of DKK 629 million for the same period of 2020. The development is due to the Agility GIL transaction, where a net cash position of DKK 1,819 million was included as positive cash flow from acquisition.

## Net working capital

On 30 September 2021, the Group's net working capital was DKK 8,815 million, compared to DKK 3,402 million on 30 September 2020. NWC increased by DKK 5,413 million, of which DKK 1,058 million relates to the acquisition of GIL.

During 2021, and especially in Q2 and Q3, receivables from our customers were impacted by the record-high freight rates leading to a significant increase in revenue and thereby increase in trade receivables and NWC. Especially the infrastructure challenges in the US impact the invoicing process due to delays in seaports and airports.

The main NWC impact is seen in Air & Sea, as this division achieved the highest growth rate of the three divisions in 2021 and the division generally has a higher NWC than the other divisions. Furthermore, funds tied up in a specific property development project have temporarily increased our NWC with approximately DKK 1,000 million on 30 September 2021. The facility will be divested in Q4 2021.

Adjusted for the extraordinary funds tied up in property and relative to full-year revenue (pro forma incl. GIL and based on current rate levels), the net working capital amounted to 3.6% on 30 September 2021 (30 September 2020: 3.0%).

## Capital structure and finances

### DSV A/S shareholders' share of equity

DSV shareholders' share of equity was DKK 74,225 million on 30 September 2021 (DKK 47,385 million on 31 December 2020).

The development in equity was driven by the capital increase carried out in connection with the GIL transaction.

On 16 August 2021, the share capital was increased by nominally DKK 16,000,000. The capital increase corresponds to 7.14% of the share capital. After the capital increase, the share capital amounted to nominally DKK 240,000,000 divided into 240,000,000 shares of DKK 1 each. Each share has one vote. In addition to the capital increase, 3,304,348 treasury shares were used as consideration, totalling 19,304,348 shares.

On 30 September 2021, the Company's portfolio of treasury shares was 2,350,652 shares. On 25 October 2021, the portfolio of treasury shares was 3,367,052 shares.

### DEVELOPMENT IN EQUITY

(DKKm)	YTD 2021	YTD 2020
<b>Equity at 1 January</b>	<b>47,385</b>	<b>49,430</b>
Profit for the period (attributable to DSV shareholders)	7,992	3,054
Currency translation, foreign enterprises	1,181	(2,344)
Capital increase	24,495	-
Allocated to shareholders	(13,635)	(3,618)
Sale of treasury shares	735	1,311
Transfer of treasury shares as business combination consideration	5,076	-
Other equity movements	996	289
<b>Equity end of period</b>	<b>74,225</b>	<b>48,122</b>

The solvency ratio excluding non-controlling interests was 47.5% on 30 September 2021 (30 September 2020: 50.7%).

## Net interest-bearing debt

Net interest-bearing debt amounted to DKK 28,316 million on 30 September 2021, compared to DKK 16,599 million on 30 September 2020. NIBD increased by DKK 11,717 million, of which DKK 1,168 million relates to GIL. During 2021 we have issued three new Eurobonds for a total of DKK 11,900 million (EUR 1,600 million):

- On 25 February 2021, a 10-year EUR 500 million Eurobond (approximately DKK 3,750 million) was issued.
- On 30 June 2021, a 12-year EUR 600 million Eurobond (approximately DKK 4,400 million) was issued.
- On 14 September 2021, a 15-year EUR 500 million Eurobond (approximately DKK 3,750 million) was issued.

The financial gearing ratio (NIBD/EBITDA) was 1.6x on 30 September 2021, compared to 1.3x last year. We maintain the financial gearing ratio target of below 2.0x NIBD/EBITDA, and a new share buyback programme of DKK 5,000 million is initiated on 26 October 2021.

The weighted average duration of the Company's long-term bonds, drawn and undrawn credit facilities and committed loans was 8.6 years on 30 September 2021, compared to 4.4 years on 30 September 2020. The increase in average duration is a result of the three bond issues in 2021.

## Invested capital and ROIC

The invested capital including goodwill and customer relationships amounted to DKK 101,316 million on 30 September 2021, compared to DKK 65,018 million on 30 September 2020. The increase is mainly due to the GIL acquisition.

Return on invested capital including goodwill and customer relationships was 16.6% for the rolling 12-month period ended 30 September 2021, compared to 12.9% for the same period last year. Excluding goodwill and customer relationships, return on invested capital was 62.7% for the rolling 12-month period ended 30 September 2021, compared to 49.6% for the same period last year.

## Outlook

On 11 October 2021, we pre-released the Q3 numbers and upgraded the outlook for 2021 as follows:

- EBIT before special items is expected to be in the range of DKK 15,250-16,000 million
- The effective tax rate is expected to be approximately 23%
- Transaction and integration costs is expected to be in the range of DKK 500 million

The outlook is based on the assumptions that the current situation in the transport markets with strong demand and tight capacity will continue throughout 2021. Furthermore, we assume that the integration of Agility GIL will continue as planned and that currency exchange rates will remain at the current levels.

# DSV Air & Sea

The Air & Sea division operates a global network specialising in transportation of cargo by air and sea. The division offers both conventional freight forwarding services and tailored project cargo solutions. The majority of the Agility GIL business will be integrated into the Air & Sea division.

The division achieved a 24.7% increase in gross profit and 67.5% increase in EBIT before special items for the first nine months of 2021. The increase in earnings was driven by an increase in activity levels and high gross profit per unit due to the extraordinary market conditions. Furthermore, the full-year impact from the Panalpina integration and cost savings initiatives in 2020 contributed to earnings growth.

## INCOME STATEMENT

(DKKm)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Divisional revenue	36,861	17,910	85,733	53,728
Direct costs	30,547	13,607	69,489	40,887
<b>Gross profit</b>	<b>6,314</b>	<b>4,303</b>	<b>16,244</b>	<b>12,841</b>
Other external expenses	814	692	2,230	2,225
Staff costs	1,698	1,394	4,578	4,603
<b>EBITDA before special items</b>	<b>3,802</b>	<b>2,217</b>	<b>9,436</b>	<b>6,013</b>
Amortisation and depreciation	281	223	679	777
<b>EBIT before special items</b>	<b>3,521</b>	<b>1,994</b>	<b>8,757</b>	<b>5,236</b>

## KEY FIGURES AND RATIOS

	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Gross margin (%)	17.1	24.0	18.9	23.9
Operating margin (%)	9.6	11.1	10.2	9.7
Conversion ratio (%)	55.8	46.3	53.9	40.8
Number of full-time employees			25,742	18,067
Total invested capital (DKKm)			71,381	44,085
Net working capital (DKKm)			9,069	3,612
ROIC before tax (%)			18.3	14.0

## Market development

### Freight volume growth

	DSV Q3 2021	Market Q3 2021	DSV YTD 2021	Market YTD 2021
Sea freight – TEUs	12%	0%	8%	5-10%
Air freight – tonnes	29%	15-20%	13%	15-20%

Market growth rates are based on DSV estimates.

Global supply chains continue to be impacted by inefficiencies caused by the pandemic, impacting both demand and available capacity. For both air and sea, the markets have recovered and, overall, volumes are back at or above 2019 levels.

The sea freight market continues to be characterised by relatively robust demand and tight capacity due to port

congestion and lack of equipment. Freight rates are record-high and schedule reliability low. Market growth has stagnated during Q3 2021, partly due to capacity constraints, but also due to lower growth on the Trans-Pacific trade lane.

DSV achieved 12% volume growth in sea freight in Q3 2021 (8% YTD 2021). Adjusted for the addition of GIL, DSV's volume growth was flat and in line with the market, according to our estimates. Securing additional capacity has been a main obstacle to gaining new customers during 2021, as we prioritise existing customers.

In air freight, high demand, airport restrictions (COVID-19 restrictions) and limited belly space capacity in passenger planes continue to impact the available capacity and are keeping rates high. The return of passenger traffic is gradually having a positive impact on capacity due to more belly capacity entering the market, although this is primarily relevant for

regional and domestic passenger flights, and we only expect a gradual return of long-haul passenger flights.

DSV achieved 29% volume growth in air freight in Q3 2021 (13% YTD 2021). Adjusted for the addition of Agility GIL, we estimate that DSV's growth figures were in line with the market.

## Divisional revenue

The division's revenue amounted to DKK 85,733 million for the first nine months of 2021, compared to DKK 53,728 million for the same period last year.

For Q3 2021, revenue amounted to DKK 36,861 million, compared to DKK 17,910 for the same period last year. Excluding the impact from GIL, growth for the quarter was 85.0%.

The growth in revenue for the first nine months of 2021 was driven by elevated freight rates and growth in volumes for both air and sea. In Q3 2021, air freight was driving the volume growth, while sea volumes were flat.

The revenue contribution from GIL (1.5 months) came to DKK 3,580 million in Q3 2021 and was also impacted by the extraordinary market conditions.

The growth was driven by all regions; however, especially APAC and US contributed to the growth during 2021.

## Gross profit

For the first nine months of 2021, gross profit amounted to DKK 16,244 million, compared to DKK 12,841 million for the same period last year.

For Q3 2021, gross profit amounted to DKK 6,314 million, compared to DKK 4,303 million for the same period last year, corresponding to a growth of 31.3%.

The increase in the first nine months of 2021 was driven by higher yields per unit in sea freight and by increasing activity levels, especially in air freight.

The gross profit contribution from GIL (1.5 months) came to DKK 624 million in Q3 2021 and was impacted by the same market factors.

The market conditions of tight capacity, congestion and disruption on the global logistics markets continue to have a positive impact on gross profit per TEU (sea freight) and per tonne (air freight). Our skilled freight forwarders, scale benefits and strong carrier relationships enable us to find transport solutions for our customers despite imbalances in the market. At the same time, the disruptions impact time consumption per

shipment, as our freight forwarders work hard to find the most optimal solutions for our customers.

The division's gross margin was 18.9% for the first nine months of 2021, compared to 23.9% last year. The decline is primarily due to higher freight rates, which cause lower gross margin due to the pass-through element of freight rates on revenue. The combination with GIL also impacts negatively on the gross margins due to GIL's lower gross margins in general.

## EBIT before special items

EBIT before special items came to DKK 8,757 million for the first nine months of 2021, compared to DKK 5,236 million for the same period last year.

For Q3 2021, EBIT before special items was DKK 3,521 million, compared to DKK 1,994 million for the same period last year, which corresponds to an increase of 65.1% excluding the impact from GIL.

The increase in EBIT before special items was driven by the growth in gross profit and supported by the continued focus on cost management. The full-year impact from the Panalpina integration and COVID-19 cost savings initiatives in 2020 were also contributing to EBIT growth, especially in H1 2021.

All regions contributed to the strong increase in EBIT before special items with Americas and EMEA delivering the highest EBIT increases.

The EBIT contribution from GIL (1.5 months) came to DKK 198 million in Q3 2021 and was also positively impacted by the extraordinary market conditions.

The conversion ratio was 53.9% for the first nine months of 2021, compared to 40.8% for the same period last year, clearly reflecting the high productivity of the staff, scalability of the systems and cost discipline.

The number of full-time employees increased by 42% compared to September 2020. The increase was mainly related to the acquisition of GIL.

## Net working capital

The Air & Sea division's net working capital came to DKK 9,069 million on 30 September 2021, compared to DKK 3,612 million on 30 September 2020. The steep increase was mainly due to higher activity and higher freight rates and must be seen in connection with the division's 85% growth in revenue in Q3 2021. Furthermore, NWC was impacted by the inclusion of GIL in Q3 2021. We also refer to the comments about NWC on page 6.



## FINANCIAL DEVELOPMENT 2020 – 2021

(DKKm)	Q3 2020	Change				Q3 2021
		Currency translation	Agility GIL	Growth	Growth %*	
Divisional revenue	17,910	79	3,580	15,292	85.0%	36,861
Gross profit	4,303	32	624	1,355	31.3%	6,314
EBIT before special items	1,994	19	198	1,310	65.1%	3,521

(DKKm)	YTD 2020	Change				YTD 2021
		Currency translation	Agility GIL	Growth	Growth %*	
Divisional revenue	53,728	(1,482)	3,580	29,907	57.2%	85,733
Gross profit	12,841	(317)	624	3,096	24.7%	16,244
EBIT before special items	5,236	(125)	198	3,448	67.5%	8,757

\* In constant currencies excluding GIL impact

## AIR AND SEA SPLIT

(DKKm)	Sea freight				Air freight			
	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Divisional revenue	18,462	7,614	40,162	21,845	18,399	10,296	45,571	31,883
Direct costs	15,477	5,889	32,906	16,750	15,070	7,718	36,583	24,137
<b>Gross profit</b>	<b>2,985</b>	<b>1,725</b>	<b>7,256</b>	<b>5,095</b>	<b>3,329</b>	<b>2,578</b>	<b>8,988</b>	<b>7,746</b>
Gross margin (%)	16.2	22.7	18.1	23.3	18.1	25.0	19.7	24.3
Volume (TEUs/tonnes)	633,690	568,130	1,788,094	1,656,082	386,702	300,147	1,072,219	947,574
Gross profit per unit (DKK)	4,711	3,036	4,058	3,077	8,609	8,589	8,383	8,175

# DSV Road

The Road division is among the market leaders in Europe and furthermore has operations in North America and South Africa. The division operates more than 20,000 trucks and offers full load, part load and groupage services through a network of more than 200 terminals. Agility GIL adds Road activities in the Middle East and Europe.

For the first nine months of 2021, the Road division achieved a 36.7% increase in EBIT before special items. The increase in earnings was driven by higher activity with a 12.4% increase in gross profit and improved conversion ratio.

## INCOME STATEMENT

(DKKm)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Divisional revenue	8,783	7,521	25,502	22,429
Direct costs	7,038	5,936	20,332	17,878
<b>Gross profit</b>	<b>1,745</b>	<b>1,585</b>	<b>5,170</b>	<b>4,551</b>
Other external expenses	282	251	812	780
Staff costs	761	650	2,282	2,093
<b>EBITDA before special items</b>	<b>702</b>	<b>684</b>	<b>2,076</b>	<b>1,678</b>
Amortisation and depreciation	237	236	732	708
<b>EBIT before special items</b>	<b>465</b>	<b>448</b>	<b>1,344</b>	<b>970</b>

## KEY FIGURES AND RATIOS

	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Gross margin (%)	19.9	21.1	20.3	20.3
Operating margin (%)	5.3	6.0	5.3	4.3
Conversion ratio (%)	26.6	28.3	26.0	21.3
Number of full-time employees			16,942	14,090
Total invested capital (DKKm)			11,327	9,172
Net working capital (DKKm)			(284)	(909)
ROIC before tax (%)			17.2	13.1

## Market development

We estimate that the market grew by 5-8% in the first nine months of 2021 compared to the same period last year. The growth was highest in Q2 2021 due to the timing impact of COVID-19 lockdowns in 2020.

For international transports, we assess that transport activity levels are back at 2019 levels and domestic distribution activity is above 2019.

The high activity levels have led to tight capacity and increasing road freight rates across most regions, especially in the UK.

During 2021, we estimate that the Road division has been able to take market share across most markets and benefit from the strong network and market position.

## Divisional revenue

The division's revenue amounted to DKK 25,502 million for the first nine months of 2021, compared to DKK 22,429 million for the same period last year.

For Q3 2021, revenue amounted to DKK 8,783 million, compared to DKK 7,521 million for the same period last year.

The growth in revenue during 2021 was driven by higher activity levels. However, haulier rates and oil prices have also gradually increased, especially in Q3 2021.

## Gross profit

For the first nine months of 2021, gross profit totalled DKK 5,170 million, compared to DKK 4,551 million for the same period last year.

For Q3 2021, gross profit amounted to DKK 1,745 million, compared to DKK 1,585 million in Q3 2020, which is an increase of 5.9%.

The division's gross margin was 20.3% for the first nine months of 2021, same level as the same period last year. The division continues to benefit from increased productivity and utilisation of the network. Our scale and strong network enable us to find efficient transport solutions for the customers despite the disruptions caused by the pandemic, Brexit and other events.

### EBIT before special items

EBIT before special items was DKK 1,344 million for the first nine months of 2021, compared to DKK 970 million for the same period last year. This corresponds to an increase for the period of 36.7% excluding the impact of GIL. The increase in EBIT before special items for the first nine months of 2021 was driven by the increase in gross profit and an improved conversion ratio.

For Q3 2021, EBIT before special items totalled DKK 465 million, compared to DKK 448 million for the same period last year. It should be noted that EBIT for Q3 2020 was positively impacted by temporary cost savings due to COVID-19.

All regions contributed to the increase in earnings, and similar to revenue the increase in earnings for the first nine months of 2021 was highest in regions that were heavily impacted by COVID-19 lockdowns and restrictions last year.

The conversion ratio was 26.0% for the first nine months of 2021, compared to 21.3% for the same period last year. The division benefits from cost saving initiatives implemented in 2020; however, compared to H1 2020, the cost base in 2021 was impacted by a general increase in activity and cost inflation across the division and certain extra costs related to Brexit.

The number of full-time employees increased by 20% compared to September 2020. The increase was mainly due to the GIL and Globeflight acquisitions as well as added staff due to Brexit.

### Net working capital

The Road division's net working capital was negative by DKK 284 million on 30 September 2021, compared to a negative DKK 909 million on 30 September 2020. The development was impacted by higher activity and the inclusion of GIL in Q3 2021. We also refer to the comments about NWC on page 6.

## FINANCIAL DEVELOPMENT 2020 – 2021

(DKK m)	Q3 2020	Change				Q3 2021	
		Currency translation	Agility	GIL	Growth		Growth %*
Divisional revenue	7,521	63		283	916	12.1%	8,783
Gross profit	1,585	15		50	95	5.9%	1,745
EBIT before special items	448	4		18	(5)	(1.1%)	465

(DKK m)	YTD 2020	Change				YTD 2021	
		Currency translation	Agility	GIL	Growth		Growth %*
Divisional revenue	22,429	(7)		283	2,797	12.5%	25,502
Gross profit	4,551	5		50	564	12.4%	5,170
EBIT before special items	970	-		18	356	36.7%	1,344

\* In constant currencies excluding GIL impact

# DSV 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. Agility GIL adds around 1.4 million m2 logistics facilities and a strong footprint in the Middle East.

For the first nine months of 2021, the Solutions division achieved a 11.1% increase in gross profit, which was converted into a 38.1% increase in EBIT before special items.

## INCOME STATEMENT

(DKKm)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Divisional revenue	4,739	3,388	12,345	10,085
Direct costs	3,022	2,075	7,903	6,245
<b>Gross profit</b>	<b>1,717</b>	<b>1,313</b>	<b>4,442</b>	<b>3,840</b>
Other external expenses	348	255	926	788
Staff costs	418	344	1,172	1,094
<b>EBITDA before special items</b>	<b>951</b>	<b>714</b>	<b>2,344</b>	<b>1,958</b>
Amortisation and depreciation	465	402	1,317	1,253
<b>EBIT before special items</b>	<b>486</b>	<b>312</b>	<b>1,027</b>	<b>705</b>

## KEY FIGURES AND RATIOS

	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Gross margin (%)	36.2	38.8	36.0	38.1
Operating margin (%)	10.3	9.2	8.3	7.0
Conversion ratio (%)	28.3	23.8	23.1	18.4
Number of full-time employees			32,007	21,039
Total invested capital (DKKm)			19,247	11,290
Net working capital (DKKm)			1,437	869
ROIC before tax (%)			9.7	9.2

## Market development

It is our estimate that the contract logistics market has grown approximately 7-10% in the first nine months of 2021 compared to the same period last year. The growth was highest in Q2 2021, due to the timing of COVID-19 lockdowns in 2020.

In general, there is good momentum in the market in 2021 with growth across most industries, and we estimate that DSV Solutions has taken market share in most markets.

## Divisional revenue

The division's revenue was DKK 12,345 million for the first nine months of 2021, compared to DKK 10,085 million for the same period of 2020. Growth for the period was 17.6% excluding the impact of GIL.

For Q3 2021, revenue amounted to DKK 4,739 million, compared to DKK 3,388 million for the same period last year, a growth of 20.3% excluding the impact of GIL.

The revenue contribution from GIL (1.5 months) came to DKK 607 million in Q3 2021.

Regionally, EMEA was the main driver of the growth in the first nine months of 2021, due to implementation of new customers and the general recovery after COVID-19. The division operates with high utilisation of the warehouses, and global demand for new and efficient warehouses remains high.

## Gross profit

For the first nine months of 2021, gross profit was DKK 4,442 million, compared to DKK 3,840 million for the same period of 2020. Increase for the period was 11.1% excluding the impact of GIL.

For Q3 2021, gross profit amounted to DKK 1,717 million, compared to DKK 1,313 million for the same period last year. Driven by a strong gross margin in Q3 2021 growth for the quarter came to 13.5%.

The gross profit contribution from GIL (1.5 months) came to DKK 203 million in Q3 2021.

The division's gross margin was 36.0% for the first nine months of 2021, compared to 38.1% for the same period last year. The decrease in gross margin was partly due to costs related to customer implementations, mainly during Q2 2021, as well as the fact that gross margin in 2020 was positively impacted by temporary COVID-19 cost savings.

### EBIT before special items

EBIT before special items was DKK 1,027 million for the first nine months of 2021, compared to DKK 705 million for the same period of 2020, corresponding to an increase of 38.1%.

For Q3 2021, EBIT before special items totalled DKK 486 million, compared to DKK 312 million for the same period last year, which corresponds to an increase of 39.5%.

The EBIT before special items from GIL (1.5 months) came to DKK 41 million in Q3 2021.

The increase in EBIT before special items was driven by higher gross profit and continued focus on cost optimisation and driving up productivity.

The conversion ratio was 23.1% for the first nine months of 2021, compared to 18.4% for the same period last year. The increase is driven by improved productivity and the full-year impact of COVID-19 cost saving initiatives.

The number of full-time employees increased by 52% compared to September 2020. The increase was mainly driven by the acquisitions of GIL and Prime Cargo and, secondly, a general increase in activity levels.

### Net working capital

The division's net working capital came to DKK 1,437 million on 30 September 2021, compared to DKK 869 million on 30 September 2020. The development was mainly due to higher activity and the inclusion of GIL in Q3 2021. We also refer to the comments about NWC on page 6.

## FINANCIAL DEVELOPMENT 2020 – 2021

(DKKm)	Q3 2020	Change				Q3 2021
		Currency translation	Agility GIL	Growth	Growth %*	
Divisional revenue	3,388	47	607	697	20.3%	4,739
Gross profit	1,313	21	203	180	13.5%	1,717
EBIT before special items	312	7	41	126	39.5%	486

(DKKm)	YTD 2020	Change				YTD 2021
		Currency translation	Agility GIL	Growth	Growth %*	
Divisional revenue	10,085	(102)	607	1,755	17.6%	12,345
Gross profit	3,840	(26)	203	425	11.1%	4,442
EBIT before special items	705	9	41	252	38.1%	1,027

\* In constant currencies excluding GIL impact

# Interim financial statements

## Income statement

(DKKm)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Revenue	49,557	28,125	121,004	84,216
Direct costs	39,734	20,873	95,063	62,894
<b>Gross profit</b>	<b>9,823</b>	<b>7,252</b>	<b>25,941</b>	<b>21,322</b>
Other external expenses	1,030	831	2,697	2,493
Staff costs	3,277	2,708	9,167	8,846
<b>Operating profit before amortisation and depreciation (EBITDA) before special items</b>	<b>5,516</b>	<b>3,713</b>	<b>14,077</b>	<b>9,983</b>
Amortisation and depreciation	1,044	988	2,967	3,079
<b>Operating profit (EBIT) before special items</b>	<b>4,472</b>	<b>2,725</b>	<b>11,110</b>	<b>6,904</b>
Special items, costs	154	453	154	1,479
Financial income	119	58	311	214
Financial expenses	284	536	750	1,511
<b>Profit before tax</b>	<b>4,153</b>	<b>1,794</b>	<b>10,517</b>	<b>4,128</b>
Tax on profit for the period	992	457	2,500	1,070
<b>Profit for the period</b>	<b>3,161</b>	<b>1,337</b>	<b>8,017</b>	<b>3,058</b>
<i>Profit for the period attributable to:</i>				
Shareholders of DSV A/S	3,138	1,341	7,992	3,054
Non-controlling interests	23	(4)	25	4
<i>Earnings per share:</i>				
Earnings per share of DKK 1 for the period	13.7	5.9	35.6	13.4
Diluted earnings per share of DKK 1 for the period	13.4	5.8	34.8	13.2

## Statement of comprehensive income

(DKKm)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
<b>Profit for the period</b>	<b>3,161</b>	<b>1,337</b>	<b>8,017</b>	<b>3,058</b>
<i>Items that will be reclassified to income statement when certain conditions are met:</i>				
Net exchange differences recognised in OCI	314	(991)	1,175	(2,340)
Fair value adjustments relating to hedging instruments	(1)	22	(14)	17
Fair value adjustments relating to hedging instruments transferred to financial expenses	1	16	3	16
Tax on items reclassified to income statement	-	(4)	(1)	(3)
<i>Items that will not be reclassified to income statement:</i>				
Actuarial gains/(losses)	(16)	(89)	157	(181)
Tax relating to items that will not be reclassified	-	16	(41)	42
<b>Other comprehensive income, net of tax</b>	<b>298</b>	<b>(1,030)</b>	<b>1,279</b>	<b>(2,449)</b>
<b>Total comprehensive income</b>	<b>3,459</b>	<b>307</b>	<b>9,296</b>	<b>609</b>
<i>Total comprehensive income attributable to:</i>				
Shareholders of DSV A/S	3,439	305	9,277	601
Non-controlling interests	20	2	19	8
<b>Total</b>	<b>3,459</b>	<b>307</b>	<b>9,296</b>	<b>609</b>

## Cash flow statement

(DKK m)	YTD 2021	YTD 2020
<b>Operating profit before amortisation and depreciation (EBITDA) before special items</b>	14,077	9,983
<i>Adjustments:</i>		
Share-based payments	118	100
Change in provisions	33	(66)
Change in working capital, etc.	(5,416)	(206)
Special items	(551)	(1,506)
Interest received	163	214
Interest paid on lease liabilities	(352)	(413)
Interest paid, other	(397)	(314)
Income tax paid	(1,404)	(653)
<b>Cash flow from operating activities</b>	<b>6,271</b>	<b>7,139</b>
Purchase of intangible assets	(219)	(166)
Purchase of property, plant and equipment	(745)	(828)
Disposal of intangible assets, property, plant and equipment	173	302
Acquisition of subsidiaries and activities (Note 6)	1,631	-
Change in other financial assets	(52)	63
<b>Cash flow from investing activities</b>	<b>788</b>	<b>(629)</b>
<b>Free cash flow</b>	<b>7,059</b>	<b>6,510</b>
Proceeds from borrowings	12,038	2,395
Repayment of borrowings	(444)	(2,593)
Repayment of lease liabilities	(2,261)	(2,342)
Other financial liabilities incurred	263	12
<i>Transactions with shareholders:</i>		
Dividends distributed	(920)	(588)
Purchase of treasury shares	(12,715)	(3,030)
Sale of treasury shares	735	758
Other transactions with shareholders	(16)	(6)
<b>Cash flow from financing activities</b>	<b>(3,320)</b>	<b>(5,394)</b>
<b>Cash flow for the period</b>	<b>3,739</b>	<b>1,116</b>
Cash and cash equivalents 1 January	4,060	2,043
Cash flow for the period	3,739	1,116
Currency translation	333	(250)
<b>Cash and cash equivalents end of period</b>	<b>8,132</b>	<b>2,909</b>
<i>The cash flow statement cannot be directly derived from the balance sheet and income statement.</i>		
Statement of adjusted free cash flow	YTD 2021	YTD 2020
Free cash flow	7,059	6,510
Acquisition of subsidiaries and activities	(1,631)	-
Special items (restructuring costs)	551	1,506
Repayment of lease liabilities	(2,261)	(2,342)
<b>Adjusted free cash flow</b>	<b>3,718</b>	<b>5,674</b>



## Balance sheet – Assets

(DKKm)	30.09.2021	31.12.2020	30.09.2020
Intangible assets	75,479	48,665	49,180
Right-of-use (ROU) assets	13,072	11,111	10,466
Property, plant and equipment	6,111	3,014	3,131
Other receivables	2,281	372	432
Deferred tax assets	3,302	2,536	2,305
<b>Total non-current assets</b>	<b>100,245</b>	<b>65,698</b>	<b>65,514</b>
Trade receivables	33,951	19,038	18,994
Contract assets	7,567	3,283	3,170
Inventories	2,683	1,426	1,557
Other receivables	3,698	2,635	2,697
Cash and cash equivalents	8,132	4,060	2,909
Assets held for sale	89	110	103
<b>Total current assets</b>	<b>56,120</b>	<b>30,552</b>	<b>29,430</b>
<b>Total assets</b>	<b>156,365</b>	<b>96,250</b>	<b>94,944</b>

## Balance sheet – Equity and liabilities

(DKKm)	30.09.2021	31.12.2020	30.09.2020
Share capital	240	230	230
Reserves and retained earnings	73,985	47,155	47,892
<b>DSV A/S shareholders' share of equity</b>	<b>74,225</b>	<b>47,385</b>	<b>48,122</b>
Non-controlling interests	168	(88)	(96)
<b>Total equity</b>	<b>74,393</b>	<b>47,297</b>	<b>48,026</b>
Lease liabilities	11,157	9,428	8,570
Borrowings	18,126	7,696	8,107
Pension obligations	1,482	1,219	1,481
Provisions	3,256	1,253	1,204
Deferred tax liabilities	478	243	331
<b>Total non-current liabilities</b>	<b>34,499</b>	<b>19,839</b>	<b>19,693</b>
Lease liabilities	3,200	2,850	2,892
Borrowings	2,557	1,185	102
Trade payables	16,297	9,926	9,198
Accrued cost of services	11,036	5,913	5,937
Provisions	2,110	1,525	1,231
Other payables	9,639	6,316	6,650
Tax payables	2,634	1,399	1,215
<b>Total current liabilities</b>	<b>47,473</b>	<b>29,114</b>	<b>27,225</b>
<b>Total liabilities</b>	<b>81,972</b>	<b>48,953</b>	<b>46,918</b>
<b>Total equity and liabilities</b>	<b>156,365</b>	<b>96,250</b>	<b>94,944</b>

## Statement of changes in equity at 30 September 2021

(DKKm)	Attributable to shareholders of DSV A/S					Non-controlling interests	Total equity
	Share capital	Reserves	Retained earnings	Total			
Equity at 1 January 2021	230	(2,836)	49,991	47,385	(88)	47,297	
Profit for the period	-	-	7,992	7,992	25	8,017	
Other comprehensive income, net of tax	-	1,183	102	1,285	(6)	1,279	
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,183</b>	<b>8,094</b>	<b>9,277</b>	<b>19</b>	<b>9,296</b>	
<i>Transactions with shareholders:</i>							
Share-based payments	-	-	118	118	-	118	
Tax on share-based payments	-	-	734	734	-	734	
Dividends distributed	-	-	(920)	(920)	(1)	(921)	
Purchase of treasury shares	-	(10)	(12,705)	(12,715)	-	(12,715)	
Sale of treasury shares	-	3	732	735	-	735	
Capital increase	16	-	24,479	24,495	-	24,495	
Capital reduction	(6)	6	-	-	-	-	
Transfer of treasury shares as business combination consideration	-	3	5,073	5,076	-	5,076	
Addition/disposal of non-controlling interests	-	-	-	-	283	283	
Dividends on treasury shares	-	-	28	28	-	28	
Other adjustments	-	-	12	12	(45)	(33)	
<b>Total transactions with shareholders</b>	<b>10</b>	<b>2</b>	<b>17,551</b>	<b>17,563</b>	<b>237</b>	<b>17,800</b>	
<b>Equity at 30 September 2021</b>	<b>240</b>	<b>(1,651)</b>	<b>75,636</b>	<b>74,225</b>	<b>168</b>	<b>74,393</b>	

## Statement of changes in equity at 30 September 2020

(DKKm)	Attributable to shareholders of DSV A/S					Non-controlling interests	Total equity
	Share capital	Reserves	Retained earnings	Total			
Equity at 1 January 2020	235	(265)	49,460	49,430	(111)	49,319	
Profit for the period	-	-	3,054	3,054	4	3,058	
Other comprehensive income, net of tax	-	(2,320)	(133)	(2,453)	4	(2,449)	
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(2,320)</b>	<b>2,921</b>	<b>601</b>	<b>8</b>	<b>609</b>	
<i>Transactions with shareholders:</i>							
Share-based payments	-	-	100	100	-	100	
Tax on share-based payments	-	-	318	318	-	318	
Dividends distributed	-	-	(588)	(588)	(2)	(590)	
Purchase of treasury shares	-	(5)	(3,025)	(3,030)	-	(3,030)	
Sale of treasury shares	-	2	1,309	1,311	-	1,311	
Capital reduction	(5)	5	-	-	-	-	
Addition/disposal of non-controlling interests	-	-	-	-	1	1	
Dividends on treasury shares	-	-	23	23	-	23	
Other adjustments	-	-	(43)	(43)	8	(35)	
<b>Total transactions with shareholders</b>	<b>(5)</b>	<b>2</b>	<b>(1,906)</b>	<b>(1,909)</b>	<b>7</b>	<b>(1,902)</b>	
<b>Equity at 30 September 2020</b>	<b>230</b>	<b>(2,583)</b>	<b>50,475</b>	<b>48,122</b>	<b>(96)</b>	<b>48,026</b>	

# Notes

## 1 Accounting policies

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

Except as stated below, accounting policies applied in preparing the Interim Financial Report are consistent with those applied in preparing the 2020 DSV Annual Report. The 2020 DSV Annual Report provides a full description of the Group's accounting policies.

### Changes in accounting policies

The DSV Group has implemented the latest amendments to the International Financial Reporting Standards (IFRS) effective as of 1 January 2021 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 estimates and judgements that affect

the reported amounts and disclosures in the statements and in the notes to the financial 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 estimates are applied are listed in Chapter 1 of the Notes to the 2020 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 endorsed by the EU and therefore not relevant for the preparation of the Q3 2021 Interim Financial Report.

None of these are currently expected to carry any significant impact on the financial statements of the DSV Group when implemented.

## 4 Segment information

(DKKm)	Air & Sea		Road		Solutions		Non-allocated items and eliminations		Total	
	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020
<b>Condensed income statement</b>										
Revenue	85,031	53,212	23,860	20,976	11,935	9,820	178	208	121,004	84,216
Intercompany revenue	702	516	1,642	1,453	410	265	(2,754)	(2,234)	-	-
<b>Divisional revenue</b>	<b>85,733</b>	<b>53,728</b>	<b>25,502</b>	<b>22,429</b>	<b>12,345</b>	<b>10,085</b>	<b>(2,576)</b>	<b>(2,026)</b>	<b>121,004</b>	<b>84,216</b>
Direct costs	69,489	40,887	20,332	17,878	7,903	6,245	(2,661)	(2,116)	95,063	62,894
<b>Gross profit</b>	<b>16,244</b>	<b>12,841</b>	<b>5,170</b>	<b>4,551</b>	<b>4,442</b>	<b>3,840</b>	<b>85</b>	<b>90</b>	<b>25,941</b>	<b>21,322</b>
Other external expenses	2,230	2,225	812	780	926	788	(1,271)	(1,300)	2,697	2,493
Staff costs	4,578	4,603	2,282	2,093	1,172	1,094	1,135	1,056	9,167	8,846
<b>Operating profit before amortisation, depreciation (EBITDA) before special items</b>	<b>9,436</b>	<b>6,013</b>	<b>2,076</b>	<b>1,678</b>	<b>2,344</b>	<b>1,958</b>	<b>221</b>	<b>334</b>	<b>14,077</b>	<b>9,983</b>
Amortisation and depreciation	679	777	732	708	1,317	1,253	239	341	2,967	3,079
<b>Operating profit (EBIT) before special items</b>	<b>8,757</b>	<b>5,236</b>	<b>1,344</b>	<b>970</b>	<b>1,027</b>	<b>705</b>	<b>(18)</b>	<b>(7)</b>	<b>11,110</b>	<b>6,904</b>
<b>Condensed balance sheet</b>										
Total assets	78,307	52,810	21,913	21,311	23,385	14,364	32,760	6,459	156,365	94,944
Total liabilities	70,793	50,372	17,120	15,071	17,879	12,299	(23,820)	(30,824)	81,972	46,918

## 5 Revenue

Sale of services and geographical segmentation specify as follows:

(DKKm)	EMEA		Americas		APAC		Total	
	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020
Air services	6,492	4,258	5,341	2,518	6,566	3,520	18,399	10,296
Sea services	9,876	3,652	5,583	2,533	3,003	1,429	18,462	7,614
Road services	8,017	6,950	766	571	-	-	8,783	7,521
Solutions services	3,435	2,347	815	697	489	344	4,739	3,388
<b>Total</b>	<b>27,820</b>	<b>17,207</b>	<b>12,505</b>	<b>6,319</b>	<b>10,058</b>	<b>5,293</b>	<b>50,383</b>	<b>28,819</b>
Non-allocated items and eliminations							(826)	(694)
<b>Total revenue</b>							<b>49,557</b>	<b>28,125</b>

(DKKm)	EMEA		Americas		APAC		Total	
	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020
Air services	16,600	12,526	13,112	8,260	15,859	11,097	45,571	31,883
Sea services	21,421	11,009	11,919	6,575	6,822	4,261	40,162	21,845
Road services	23,464	20,696	2,038	1,733	-	-	25,502	22,429
Solutions services	8,947	6,960	2,226	2,113	1,172	1,012	12,345	10,085
<b>Total</b>	<b>70,432</b>	<b>51,191</b>	<b>29,295</b>	<b>18,681</b>	<b>23,853</b>	<b>16,370</b>	<b>123,580</b>	<b>86,242</b>
Non-allocated items and eliminations							(2,576)	(2,026)
<b>Total revenue</b>							<b>121,004</b>	<b>84,216</b>

## 6 Business combinations

On 16 August 2021, DSV acquired the Global Integrated Logistics division of Agility Public Warehousing Company K.S.C.P.

### About Agility Global Integrated Logistics

Agility's stand-alone Global Integrated Logistics (GIL) business is a leading global transport and logistics provider with a strong footprint in emerging markets. The business offers a mix of integrated logistics services, including air, ocean and road freight forwarding services, contract logistics and specialised logistics capabilities. GIL operates a flexible, customer-centric and sustainability-driven business with a global workforce of approximately 17,000 people and service provision across 100+ countries around the world (incl. agents). GIL empowers businesses of all sizes, from small businesses to large multinationals, through sector-specific expertise and digital tools and technology to enhance supply chain efficiency.

### Strategic rationale and synergies

Acquisitions are an integral part of DSV's strategy, and DSV has a track record of successful integrations. The combination with GIL is expected to increase DSV's annual revenue by approximately 23%, which will rank the combined company in the freight forwarding industry top three with a combined workforce of more than 75,000 employees. The combined company will have own operations in more than 90 countries.

Scale remains one of the key competitive advantages in freight forwarding with significant operational and commercial benefits. The Air & Sea division will be strengthened and will further cement its position as one of the largest providers. GIL's presence in the fast-growing emerging markets in APAC as well as Europe and Americas will be a strong addition to DSV's existing network.

Contract logistics capabilities are increasingly important due to complex supply chains and changing distribution channels. GIL will bring additional warehousing capacity of more than 1.4

million square metres, mainly in APAC and the Middle East, and will thereby significantly strengthen the Solutions division. Finally, GIL will add road freight activities to DSV's network in Europe and the Middle East.

DSV and GIL are a strong match with many potential synergies as a result of similarities in business models, services and strategies:

- Commercial synergies and cross-selling opportunities from stronger network and service offerings, new competencies and skills
- Consolidation of operations, administration and logistics facilities
- Consolidation of IT infrastructure
- Strong focus on corporate responsibility and sustainability

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

### Consideration transferred

The consideration transferred for Global Integrated Logistics has been made in DSV equity instruments by offering in total 19,304,348 DSV shares at a fair value of DKK 29,493 million based on the acquisition date closing price of DKK 1,531 on Nasdaq Copenhagen offset by a cash consideration transferred from Agility to DSV of approximately DKK 61 million.

Adjusted for the fair value of cash and cash equivalents acquired of DKK 1,759 million, the total net consideration amounts to DKK 27,734 million.

### Transaction costs

Total transaction costs recognised until 30 September 2021 amount to DKK 86 million (recognised as special items).

### Fair value of acquired net assets and recognised goodwill

Fair value of acquired net assets have been identified and goodwill recognised. Net assets, goodwill and contingent assets and liabilities recognised at the reporting date are to some

extent still provisional. Adjustments may be applied to these amounts for a period of up to twelve months from the acquisition date in accordance with IFRS 3.

The major categories of net assets for which acquisitional accounting is still ongoing mainly relate to other provisions and deferred tax assets. In addition, other minor adjustments may be applied to the various net asset categories as full alignment to DSV accounting policies is finalised. The provisional fair value of identified net assets and goodwill recognised may be specified as follows:

<b>Assets identified at fair value:</b>	(DKKm)
Customer relationships	569
Other intangible assets	13
Right-of-use assets	2,389
Property, plant and equipment	2,679
Trade receivables	5,450
Contract assets	1,453
Inventories	34
Deferred tax assets	505
Other receivables	2,383
Cash and cash equivalents	1,759
<b>Total Assets</b>	<b>17,234</b>
<b>Liabilities identified at fair value:</b>	
Lease liabilities	2,321
Borrowings	660
Provisions	3,088
Pensions and similar obligations	280
Trade payables	2,496
Accrued cost of services	1,882
Deferred tax liabilities	237
Corporation tax	565
Other payables	1,047
<b>Total liabilities</b>	<b>12,576</b>
Non-controlling interests share of acquired net assets	291
<b>Total net assets acquired</b>	<b>4,367</b>
Fair value of total consideration transferred	29,493
<b>Goodwill arising from acquisitions</b>	<b>25,126</b>

The fair value of acquired trade receivables, contract assets and other receivables, amounts to DKK 9,286 million. Collectability of receivables has been assessed based on credit assessment policies; in this regard, expected credit-losses of DKK 345 million have been provided for.

Goodwill recognised mainly relates to the expertise and knowhow of the acquired workforce and expected synergies from the integration into the DSV Group. Recognised goodwill is non-deductible for tax purposes.

#### Earnings impact

As a consequence of the integration of Global Integrated Logistics into DSV, the disclosed earnings impact is based on estimates as no financial reporting capabilities are maintained that provide detailed consolidated financial data on the separate pre-acquisition consolidation groups.

The acquisition is estimated to have contributed revenues of around DKK 4,395 million and operating profit before special items of DKK 270 million to the DSV Group results for the period 16 August 2021 to 30 September 2021.

If the acquisition had occurred on 1 January 2021, consolidated pro-forma revenue and operating profit before special items for the period ended 30 September 2021 of the combined Group would have been approximately DKK 140,000 million and DKK 11,850 million, respectively.

#### Fair value measurement

Material net assets acquired for which significant estimates have been applied in the fair value assessment have been recognised using the following valuation techniques:

##### *Property, plant and equipment*

Fair value of individual material property, plant and equipment assets has been measured based on external market valuations carried out by professional appraisers and assessments of prices on an active market.

##### *Customer relationships*

Customer relationships have been measured using a multi-period excess earnings model (MPEE), by which the present value of future cash flows from recurring contract customers expected to be retained after the date of acquisition has been valued using a peer-group WACC of 7% as discount rate. In total, customer relationships amounting to DKK 569 million have been included in the opening balance.

The main input value drivers in the MPEE model used are the estimated future retention rate and net cash flow of the acquired contract customer base. These inputs have been estimated based on Management's professional judgement from analysis of the acquired customer base, historical data and general business insight.

##### *Trade receivables and payables, contract assets and accrued cost of services*

Fair value of trade receivables and trade payables, contract assets and accrued cost of services has been measured at the contractual amount expected to be received or paid. In addition, collectability has been taken into consideration on trade receivables. The amounts have not been discounted, as maturity on trade receivables- and payables generally is very short and the discounted effect therefore immaterial.

##### *Financial liabilities*

Lease liabilities have been measured at the present value of the remaining lease payments at the acquisition date discounted using an appropriate incremental borrowing rate.

Other financial liabilities have been measured at the present value of the repayable amounts discounted using a representative DSV borrowing rate, unless the discount effect is insignificant. A DSV borrowing rate has been applied as DSV vouches for the acquired debt, hence the credit enhancement of the Group has been applied in the valuation.

# 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 nine-month period ended 30 September 2021.

The Interim Financial Report, which has not been audited or reviewed by the Company 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 Group's assets, equity, liabilities and financial position on 30 September 2021 and of the results of the Group's activities and the cash flow for the nine-month period ended 30 September 2021.

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. Over and above 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 2020.

Hedehusene, 26 October 2021

## Executive Board:

Jens Bjørn Andersen  
CEO

Jens H. Lund  
CFO

## Board of Directors:

Thomas Plenborg  
Chairman

Jørgen Møller  
Deputy Chairman

Annette Sadolin

Birgit W. Nørgaard

Marie-Louise Aamund

Beat Walti

Niels Smedegaard

Tarek Sultan Al-Essa