

Q3 2023 interim report

OUTLOOK FIRMED UP BY SOLID QUARTER

- Q3 EBITDA of DKK 1.6bn was ahead of expectations
- Strong passenger high season
- Freight performance as expected below last year
- Cash flow further improved
- EBITDA outlook firmed up to DKK 4.9-5.2bn (DKK 4.8-5.2bn)



Highlights Q3

Q3 2023

- EBITDA on a level with 2022
- Adjusted free cash flow DKK 503m
- Financial leverage stable at 2.9x
- CO2 ferry emission intensity lowered 4%

Outlook 2023

- EBITDA firmed up to DKK 4.9-5.2bn
- Revenue around same level as 2022
- Investments reduced to DKK 0.1bn

“We have firmed up our outlook on the back of a solid quarter, not least a very good passenger result. Freight markets are currently challenging and we continue to adapt our ferry and road capacity to optimise utilisation.”

Torben Carlsen, CEO

Q3 revenue decreased 1.8% to DKK 7.2bn but increased 6.7% adjusted for ferry bunker surcharges. The adjusted growth was driven by higher ferry revenue and revenue from logistics acquisitions.

The Q3 EBITDA of DKK 1,592m was on level with Q3 2022. The freight ferry EBITDA of DKK 535m was 26% lower than last year due to a spike in oil price spreads in Q3 2022. Underlying freight ferry earnings were on level with 2022 despite lower volumes. The Q3 passenger EBITDA increased 29% to DKK 758m as results improved across the route network. Logistics Division's EBITDA increased 8% to DKK 319m driven by acquisitions while underlying performance was below last year due to lower activity levels and one-off costs.

Year-to-date (Q1-3) revenue increased 1% to DKK 20.5bn compared to the same period last year and Q1-3 EBITDA increased 3% to DKK 4,004m. EBITDA was DKK 5,092m for the last twelve months (LTM, 2022-23).

The Q3 adjusted free cash flow was DKK 503m and DKK 1.69bn for LTM. Net interest-bearing debt (NIBD) was reduced 1% from Q2 2023 on the back of the positive cash flow.

Outlook 2023

The EBITDA outlook is firmed up to DKK 4.9-5.2bn (previously DKK 4.8-5.2bn) as Q3 financial performance was ahead of expectations. The investment outlook, excluding acquisitions, was reduced to DKK 0.1bn (previously DKK 1.6bn) following the sale and leaseback of three ferries announced in October 2023. The outlook is detailed on page 10.

KEY FIGURES

DKK m	2023 Q3	2022 Q3	Change, %	2022-23 LTM	2021-22 LTM	Change, %	2022 Full-year
Revenue	7,190	7,324	-2	27,014	25,914	4	26,873
Operating profit before depreciation (EBITDA)	1,592	1,591	0	5,092	4,732	8	4,974
Operating profit before amortisation (EBITA)	927	1,002	-7	2,583	2,459	5	2,603
Operating profit (EBIT)	888	968	-8	2,420	2,329	4	2,468
Profit before tax	693	853	-19	1,860	2,021	-8	2,139

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Key figures

DKK m	2023 Q3	2022 Q3	2023 Q1-Q3	2022 Q1-Q3	2022-23 LTM	2022 Full-year
Income statement						
Revenue	7,190	7,324	20,472	20,331	27,014	26,873
Ferry Division	4,506	4,753	12,503	12,779	16,555	16,831
Logistics Division	2,985	2,947	8,923	8,591	11,755	11,423
Non-allocated items	185	166	539	481	683	624
Eliminations	-487	-542	-1,493	-1,520	-1,978	-2,006
Operating profit before depreciation (EBITDA)	1,592	1,591	4,004	3,886	5,092	4,974
Ferry Division	1,294	1,310	3,124	3,125	3,983	3,984
Logistics Division	319	297	963	787	1,241	1,066
Non-allocated items	-21	-16	-83	-27	-132	-76
Operating profit before amortisation (EBITA)	927	1,002	2,095	2,115	2,583	2,603
Operating profit (EBIT)	888	968	1,968	2,016	2,420	2,468
Financial items, net	-195	-115	-486	-255	-560	-329
Profit for the period	658	817	1,327	1,636	1,710	2,019
Capital						
Total assets	-	-	35,825	34,188	-	34,084
Equity	-	-	13,825	12,753	-	13,135
Net interest-bearing debt	-	-	15,038	14,038	-	14,109
Invested capital, end of period	-	-	29,242	27,125	-	27,554

DKK m	2023 Q3	2022 Q3	2023 Q1-Q3	2022 Q1-Q3	2022-23 LTM	2022 Full-year
Cash flows						
Cash flows from operating activities	1,105	1,253	3,194	3,455	4,220	4,480
Cash flows from investing activities	-411	-986	-2,188	-2,498	-2,679	-2,989
Free cash flow	695	266	1,006	957	1,541	1,491
Adjusted free cash flow	503	271	1,362	500	1,688	825
Key operating and return ratios						
Average number of employees (FTE)	-	-	13,035	11,351	12,215	11,510
Revenue growth (reported), %	-1.8	62.3	0.7	60.1	0.5	47.0
EBITDA-margin, %	22.1	21.7	19.6	19.1	18.8	18.5
EBITA-margin, %	12.9	13.7	10.2	10.4	9.6	9.7
EBIT-margin, %	12.3	13.2	9.6	9.9	9.0	9.2
Return on invested capital (ROIC), %	-	-	8.0	8.4	8.0	8.7
ROIC BAI, %	-	-	10.9	11.4	10.9	11.7
Return on equity, %	-	-	-	-	13.0	16.4
Key capital and per share ratios						
Financial leverage, times	-	-	2.9	2.9	2.9	2.8
Equity ratio, %	-	-	38.6	37.3	-	38.5
Earnings per share (EPS), DKK	11.72	14.21	23.46	28.38	30.16	35.09
Dividend paid per share, DKK	-	4.00	5.00	8.00	5.00	8.00
Number of shares, end of period, '000	-	-	58,632	58,632	-	58,632
Share price, DKK	-	-	233.2	197.9	-	256.4

Definitions on page 32.

ESG key figures

	Unit	2023 Q3**	2022 Q3*	2023 Q1-Q3**	2022 Q1-Q3*	2022-23 LTM	2022 Full-year*
Environmental data (Ferry)							
Total distance sailed	Nautical miles	1,445,716	1,463,029	4,251,597	4,388,155	5,703,061	5,839,619
CO2 emissions							
CO2 emissions per GT nautical mile (Own fleet)	gCO2	12.0	12.3	12.1	12.6	12.2	12.5
CO2 emissions per GT nautical mile (Route network)	gCO2	12.2	12.7	12.3	13.1	12.4	13.0
Energy consumption							
Total fuel consumption (Route network)	Tonnes	185,705	200,706	556,194	615,018	766,850	799,515
Oil spills							
Spills (>1 barrel)	Number	0	0	0	0	0	0
Social data							
Representation of women							
Total workforce:	%	-	-	23	24	-	24
Non-officed based	%	-	-	12	13	-	12
Office based	%	-	-	44	41	-	43
Senior management	%	-	-	18	15	-	16
Managers	%	-	-	19	16	-	14
Safety at sea							
Lost-time injury frequency (LTIF)	Incidents/mio. hours	3.7	5.2	3.7	4.8	3.9	4.5
Safety on land							
Lost-time injury frequency (LTIF)	Incidents/mio. hours	4.7	6.8	7.9	7.7	8.0	7.9
Fatalities							
Colleagues	Accidents	0	0	0	0	1	1
Contractors	Accidents	0	0	1	0	0	0
Governance data							
Representation of women in the Board (AGM elected members)	%	-	-	33	33	-	33
Board nationality - non-Danish (AGM elected members)	%	-	-	33	33	-	33
Independent directors (AGM elected members)	%	-	-	83	83	-	83
Attendance at Board meetings (All Board members)	%	100	100	100	99	100	99
Whistle-blower reporting	Cases	12	8	43	22	54	33

* 2022 social data excludes ICT Logistics Group (acquired in January 2022), primeRail for LTIF figures (acquired in May 2022) and Lucey Transport Logistics (acquired in September 2022).

** 2023 Q1 and Q2 social data excludes McBurney Transport Group (acquired in February 2023) and Lucey Transport Logistics for LTIF figures (acquired in September 2022) and 2023 Q3 data excludes Estron Group (Acquired in September 2023).

Definitions on page 33.



Management review

Market overview

Europe's growth outlook flattened during Q3 as higher interest rates raised cost levels. Inflation declined further but uncertainty remains elevated, also due to geopolitical events.

Freight volumes remained generally soft in Q3 reflecting the continued uncertainty. Energy prices increased in the quarter but remained considerably below last year.

On a sector level, volumes from the automotive sector remained robust as it continues to fulfil demand backlogs. Conversely, transport flows of building materials decreased during the quarter. The trade imbalance between continental Europe and the UK increased in the quarter leading to an increase in empty freight units returning to the Continent.

Türkiye's growth flattened as measures are taken to lower inflation by slowing domestic demand. Export volumes recovered somewhat from the previous quarter when manufacturing was held back by the election process. The export sector continues to be an important growth driver for Türkiye and growth is expected to be underpinned by nearshoring of manufacturing closer to Europe.

The year-on-year recovery in ferry passenger volumes continued in Q3.

The main changes in average exchange rates in Q3 2023 vs Q3 2022 were depreciation of TRY/DKK by 38%, NOK/DKK by 12%, and SEK/DKK by 10%.

Major events in Q3

Transport network expanded by Dutch acquisition

On 18 July 2023, DFDS entered into an agreement to acquire 100% of the share capital of the Estron Group, a Dutch provider of road transport and warehousing based in Rotterdam, Netherlands. The price of the shares corresponds to a stand-alone enterprise value/EBITDA-multiple of around 6x excluding synergies.

The company has 130 employees and the annual revenue in 2022 was EUR 50m. Estron Group expands DFDS' transport network by adding road transport capacity to the existing full-load operation to and from the UK that combines road and ferry transport. In addition, Estron Group's part-load and warehousing operations complements DFDS' similar operation in Wijchen, Netherlands. The acquisition is expected to generate both commercial and operational synergies.

The transaction was closed on 11 September 2023.

Turkish competition clearance obtained for possible transaction

On 28 July 2023, DFDS obtained competition clearance for a possible acquisition of Ekol Logistics' international road haulage activities. The filing was submitted to the Turkish Competition Authority (TCA) in October 2022.

The filing was made as part of a strategic dialogue between DFDS and Ekol Logistics, a major Turkish transport and logistics company. A due diligence process is ongoing. Potential transaction terms are subject to Board approval.

Ferry network expansion to Strait of Gibraltar

On 17 September 2023, DFDS entered into an agreement to acquire FRS Iberia/Maroc, a division of the German short-sea ferry company FRS GmbH & Co. KG. FRS Iberia/Maroc operates three short-sea ferry routes across the Strait of Gibraltar connecting Spain and Morocco. The routes are expected to transport 2.3m freight lane metres, 1.9m passengers, and 370k cars in 2023.

The acquisition expands the Mediterranean route network that today already connects Europe with Türkiye and Tunisia, respectively. The region's organic market growth is expected to continue to exceed growth levels in northern Europe underpinned by nearshoring of manufacturing supply chains closer to end markets in Europe.

FRS Iberia/Maroc's key expected financials for 2023 are revenue of DKK 1.0-1.2bn, EBITDA-margin of 18-20%, and

EBIT-margin of 11-12%. DFDS acquires FRS Iberia/Maroc for a debt-free price equal to an EV/EBITDA multiple of 6x based on expected EBITDA for 2023. The transaction is expected to increase DFDS' financial leverage, NIBD/EBITDA, by 0.1x on a pro forma basis.

The transaction is expected to be ROIC accretive vs DFDS' current return level and to be accretive to earnings per share (EPS) from closing.

Closing of the transaction is subject to regulatory approval, including merger control clearance in both Spain and Morocco.

Major events after Q3

Sale and leaseback of three freight ferries lowers asset ownership

On 17 October 2023, DFDS entered into an agreement with Navigare Capital to sell and leaseback three freight ferries for a total sales price of DKK 1.46bn.

The transaction improves financial flexibility by releasing cash and lowering the asset ownership share. By retaining control of the assets reliability and customer service levels are upheld.

The leasing period is five years starting from the day of delivery which is expected this week. The agreement includes a right of first refusal to purchase the ferries during the leasing period. The three ferries are Flandria Seaways,

Humbria Seaways, and Scandia Seaways built in 2020/2020/2021, respectively.

The transaction entails a net reduction of invested capital by DKK 0.6bn and a decrease of net interest-bearing debt (NIBD) by DKK 0.7bn. Financial leverage as measured by NIBD/EBITDA decreases 0.15x.

The financial gain from the sale has been updated from the initial assessment to around DKK 95m that will be reported in the income statement in the Q4 2023 report as a gain on disposal of non-current assets and included in EBITA (Operating profit before amortisation).

CFO steps down

Karina Deacon is stepping down from her position as CFO and member of DFDS' Executive Board to pursue a non-executive career. Karina Deacon will remain in her position until no later than end of June 2024 to ensure continuity and a smooth transition to the new CFO. A recruitment process for a new CFO has been initiated.

ESG actions and plans

Environment

Continued improvements in the quarter ensured that short-term emission reductions targeted towards 2030 continues to be on track. Ferry improvements were driven by various incremental vessel upgrades and the schedule optimisation program "Every Minute Counts" focused on reducing turnaround time in port terminals, and updated

schedules enabling lower speed and reduced fuel consumption.

Ferry CO2 emissions per GT nautical mile were in Q3 2023 reduced 4% compared to Q3 2022 across the route network.

Logistics decarbonisation initiatives were focused on further deployment of electric trucks, installation of charging stations, and continued development of a more robust data foundation for the green transition. 50 electric trucks were deployed by the end of Q3 2023.

More information on emission reduction initiatives is available in the Division sections.

Social

Diversity, Equity & Inclusion (DE&I)

In Q3 two of the data points on representation of women were impacted by the McBurney acquisition as total workforce female representation decreased one ppt from 24% in Q3 2022 to 23% in Q3 2023. Similarly, the female representation of the non-office based workforce decreased from 13% in Q3 2022 to 12% in Q3 2023.

The strong focus on increasing female representation in DFDS is shown by solid increases in the remaining KPIs: office based work force up from 41% to 44%, senior management up from 15% to 18%, and managers at all levels went from 16% to 19%.

During Q3 2023, the annual employee engagement survey MyVoice was launched providing detailed insights about employee engagement and perception of Diversity, Equity and Inclusion. The survey includes questions about harassment and bullying at sea allowing manager follow-up sessions according to DFDS' zero tolerance policy.

Safety

DFDS has a high focus on ensuring DFDS is a safe place to work and where employees feel secure and protected from work related illness and injuries. Focus continues to be on developing an effective safety culture, increase awareness, and improve reporting and knowledge sharing.

LTIF for land-based operations decreased to 4.7 in Q3 2023 from 6.8 in Q3 2022. The lost-time injury frequency (LTIF) for sea-based operations decreased to 3.7 in Q3 2023 from 5.2 in Q3 2022.

See divisional sections for more details.

Governance

The number of reported whistleblower cases increased to 12 in Q3 2023 from 8 in Q3 2022. The continued increase in whistleblower reports indicates growing awareness of especially harassment and bullying as 42% of the received reports are in this category. All incoming cases are handled anonymously and a non-retaliation principle is applied.

Revenue

DKK m	Q3 2023	Q3 2022	Change, %	Change
Ferry Division	4,506	4,753	-5.2	-247
Logistics Division	2,985	2,947	1.3	38
Non-allocated items	185	166	11.8	20
Eliminations	-487	-542	10.1	55
DFDS Group	7,190	7,324	-1.8	-134

Financial performance

Revenue

The Group's Q3 reported revenue was DKK 7,190m, a decrease of 1.8% compared to 2022 but an increase of 6.7% adjusted for bunker surcharges.

The Ferry Division's Q3 revenue decreased 5.2% to DKK 4,506m but increased 9.6% adjusted for bunker surcharges driven by 16.3% higher passenger revenue. Freight ferry revenue, adjusted, was 6.1% above last year as sea-freight rates and additional port terminal services offset lower volumes.

The Logistics Division's Q3 revenue increased 1.3% to DKK 2,985m but decreased 13.5% adjusted for the acquisitions of Lucey Transport Logistics, McBurney Transport Group, D. R. MacLeod, and Estron Group.

The Group's Q1-3 revenue was DKK 20,472m, an increase of 0.7% compared to Q1-3 2022.

EBITDA

The Group's Q3 EBITDA of DKK 1,592m was on level with Q3 2022 as higher passenger and logistics earnings were offset by lower freight ferry earnings.

Ferry Division's Q3 EBITDA decreased 1% DKK 1,294m. The EBITDA for freight ferry activities decreased 26% to DKK 535m due to a negative impact from a reduction in oil price spreads compared to the exceptional and temporary spike in spread levels in Q3 2022. The freight contribution was on level with last year excluding bunker as rate increases and cost savings offset 4.5% lower volumes.

The EBITDA for passenger activities across the network increased 29% to DKK 758m driven by higher volumes, increased revenue per passenger, bunker cost savings, and a one-off impact from reversal of a provision related to Covid-19.

Logistics Division's Q3 EBITDA increased 6% to DKK 319m and decreased 21% adjusted for a positive earnings impact from acquisitions. Around half of the adjusted decrease was due to one-off costs related to mainly a closure and restructuring of the Bruges cold chain operation

and a bad debt provision. The remainder of the decrease was driven by lower road transport activity levels for both dry and cold chain goods.

The Group's Q1-3 EBITDA increased 3% to DKK 4,004m and EBITDA for the last twelve months was DKK 5,092m.

EBITA and EBIT

Depreciation in Q3 of DKK 656m was 12% or DKK 69m higher than last year driven mainly by acquisitions.

The Group's Q3 EBITA decreased 7% or DKK 73m to DKK 927m. Amortisation in Q3 increased 18% to DKK 40m due to acquisitions. Q1-3 EBITA decreased 1% to DKK 2,095m.

The Group's Q3 EBIT decreased 8% or DKK 80m to DKK 888m and for Q1-3 EBIT decreased 2% to DKK 1,968m.

Financial items

Total net financial items in Q3 was a cost of DKK 195m, an increase of 69% or DKK 79m compared to Q3 2022. The net interest cost increased DKK 90m as interest-bearing financial debt decreased 1% compared to last year while the average borrowing rate increased from 1.6% to 4.5%. Lease liabilities increased 21% compared to last year while the lease interest rate increased from 3.5% to 4.0%.

Total net financial items in Q1-3 was a cost of DKK 486m, an increase of 91% or DKK 231m compared to Q1-3 2022.

Profit before and after tax

The Q3 profit before tax decreased 19% or DKK 160m to DKK 693m. The tax cost was DKK 35m and the profit for the period was DKK 658m, a decrease of 19% compared to 2022.

The Q1-3 profit before tax decreased 16% to DKK 1,482m and the Q1-3 profit for the period was DKK 1,327m.

Earnings per share

Q3 earnings per share (EPS) decreased 18% to DKK 11.72 from DKK 14.21 in Q3 2022, and for Q1-3 EPS decreased 17% to DKK 23.46.

Cash flow and investments

The Q3 cash flow from operating activities of DKK 1,105m was reduced by a negative cash flow from working capital of DKK 295m in the quarter. This was mainly due to passenger prepayments in Q2 ahead of the Q3 high season and a negative impact from bunker inventories. Moreover, net finance payments increased. Net Q3 investments totalled a negative cash flow of DKK 411m resulting in a positive free cash flow of DKK 695m. This included a cash flow of DKK -34m related to acquisitions.

The Q3 cash flow from financing activities was negative by DKK 606m, including a net loan outflow of DKK 373m and payment of lease liabilities of DKK 228m. The net increase in cash was DKK 89m and at the end of Q3 2023 cash amounted to DKK 1,182m.

The Q3 adjusted free cash flow (FCFE) was DKK 503m compared to DKK 269m in Q3 2022. The LTM Q3 adjusted free cash flow (FCFE) was DKK 1,688m compared to DKK 825m for full-year 2022.

The Q1-3 cash flow from operating activities was DKK 3,194m and the free cash flow was DKK 1,006m. Net investments in Q1-3 was an outflow of DKK 2,188m, including acquisitions of DKK 1,016m. The cash flow from financing activities was a net outflow of DKK 1,014m bringing the net cash flow for Q1-3 to an outflow of DKK 8m.

The Q1-3 adjusted free cash flow (FCFE) was DKK 1,352m compared to DKK 500m in Q1-3 2022.

Invested capital and ROIC

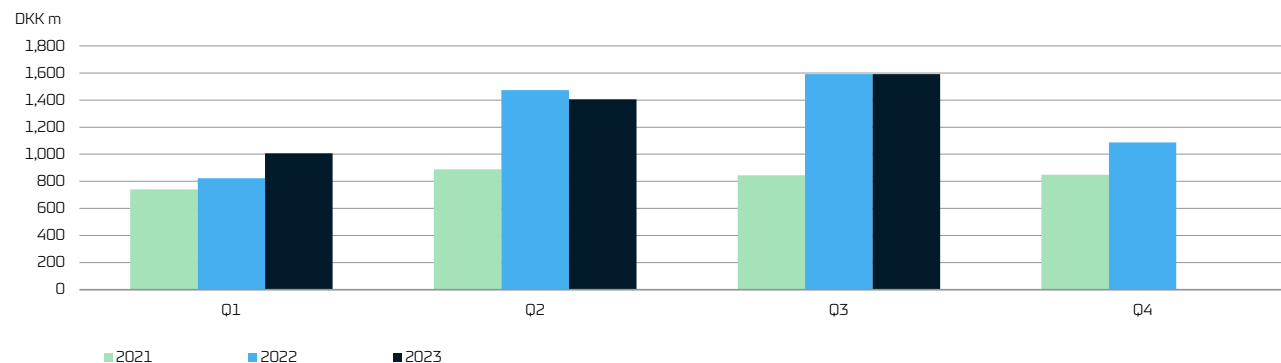
Invested capital increased 8% to DKK 29.2bn at the end of Q3 2023 compared to Q3 2022. The majority of the increase was due to logistics acquisitions and chartering of ferries, including contract extensions.

The return on invested capital before acquisition intangibles, ROIC BAI, was 10.9% compared to 11.4% for Q3 2022. ROIC was 8.0% compared to 8.4% for Q3 2022.

Capital structure

At the end of Q3 2023 net-interest-bearing debt (NIBD) was reduced 1% to DKK 15.0bn from the end of Q2 2023. NIBD was 7% above the end of 2022 due to mainly the acquisition of McBurney Transport Group completed in Q1 2023.

DFDS GROUP - EBITDA



Operating profit before depreciation (EBITDA)

DKK m	Q3 2023	Q3 2022	Change, %	Change
Ferry Division	1,294	1,310	-1.2	-16
Logistics Division	319	297	7.5	22
Non-allocated items	-21	-16	n.a.	-5
DFDS Group	1,592	1,591	0.1	1
EBITDA-margin, %	22.1	21.7	n.a.	0.4

EBITA and EBIT

DKK m	Q3 2023	Q3 2022	Change, %	Change
EBITDA	1,592	1,591	0.1	1
Associates and joint ventures	-7	-2	n.a.	-5
Profit/loss on disposals	-2	1	n.a.	-3
Depreciation and impairment	-656	-587	-11.7	-69
EBITA	927	1,002	-7.4	-74
Amortisation	-40	-34	-17.9	-6
EBIT	888	968	-8.3	-80

Financial items

DKK m	Q3 2023	Q3 2022	Change, %	Change
Interests, net	-175	-87	-101.0	-88
Foreign exchange gains/losses, net	-15	-24	38.1	9
Other items, net	-5	-5	-12.1	-1
Total finance, net	-195	-115	-68.9	-79

Financial leverage, as measured by the ratio of NIBD to EBITDA for the last twelve months (LTM), was 2.9 at the end of Q3 2023 compared to 2.8 at year-end 2022. The leverage was unchanged from the end of Q2 2023.

Equity

Equity amounted to DKK 13,825m at the end of Q3 2023, including non-controlling interests of DKK 93m, an increase of 5% compared to the end of 2022. Total comprehensive income for Q1-3 2023 was DKK 1,256m while transactions with owners was DKK -542m, including a dividend of DKK 281m and a share buyback of DKK 300m.

The equity ratio was 39% at the end of Q3 2023 which was on level with year-end 2022.

Outlook 2023

The outlook for 2023 builds on multiple assumptions that may still change until year-end.

Key freight outlook assumptions for 2023

Q4 freight ferry volumes are overall expected to be on level with last year.

Logistics' activity levels are expected to be below last year's levels.

Key passenger outlook assumptions for 2023

Q4 passenger volumes are expected to be higher compared to last year.

Revenue outlook

The Group's revenue is overall still expected to remain at around the same level as 2022 as higher passenger and logistics revenue is offset by lower revenue from primarily bunker surcharges.

Earnings outlook

The Group's EBITDA for 2023 is expected to be within a range of DKK 4.9-5.2bn compared to previously a range of DKK 4.8-5.2bn (2022: DKK 5.0bn). The outlook has been firmed up on the back of better than expected earnings in the Ferry Division while the outlook for the Logistics Division has been reduced in view of more challenging market conditions. See outlook table for divisional split.

Outlook 2023

DKK m	New outlook 2023	Previous outlook 2023	2022
Revenue growth	On level	On level	26,873
EBITDA	4,900-5,200	4,800-5,200	4,955
Per division:			
Ferry Division	3,775-3,975	3,650-3,900	3,966
Logistics Division	1,250-1,350	1,250-1,400	1,066
Non-allocated items	-125	-100	-76
Investments	-1,300	-2,800	-2,989
Types:			
Operating	-1,600	-1,600	-1,838
Ferries: sale & purchase and new-buildings	1,500	0	-871
Acquisitions	-1,200	-1,200	-280

Investments

The 2023 outlook for operating investments, i.e. excluding acquisitions and other transactions, was lowered to around DKK 0.1bn in October 2023 from previously DKK 1.6bn following the sale of three freight ferries for a total of DKK 1.5bn.

The investment outlook for acquisitions is unchanged DKK 1.2bn.

Various risks and uncertainties pertain to the outlook

The most important risks and uncertainties are possible major changes in the demand for ferry services – freight and passengers – and logistics solutions.

Such demand is to a large extent linked to the level of economic activity and trade in primarily Europe, especially northern Europe, and in particular the UK, as well as adjacent regions, particularly Türkiye.

Demand can also be impacted by competitor actions, supply chain disruptions, and extraordinary events such as virus outbreaks and geopolitical instability.

The outlook can moreover be impacted by political changes, first and foremost within the EU and Türkiye. Brexit, the trade agreement that came into effect on 1 January 2021 between the EU and the UK, is yet to be fully implemented and its possible impact on trade therefore still constitutes a risk.

Changes in economic variables, especially oil prices, interest rates, and exchange rates, can furthermore impact earnings.

Future financial results may therefore differ significantly from outlook expectations.

eTruck rollout continues

50 of the total 125 ordered eTrucks are now operating in Sweden, Denmark, Belgium, Lithuania, and Netherlands. Germany is likely next. 97% of trips operated by eTrucks are zero emission on a well-to-wheel basis as mostly green electricity is used for charging.



Ferry Division

- Passenger earnings up 29%
- Underlying freight ferry earnings on level despite lower volumes
- Freight ferry volumes firmed up towards end of Q3
- Negative earnings impact from reduction in oil price spreads
- 4% lower CO2 ferry emission intensity

Q3 volumes and activity changes

Total Q3 freight volumes decreased 4.5% compared to Q3 2022 driven mostly by lower volumes in the Baltic Sea and Channel route networks. Baltic Sea volumes were lowered by a negative impact from the war in Ukraine and a reduction of capacity. Channel volumes were compared to last year in the first two months of Q3 still impacted by a competitor's suspension of sailings in Q2 2022. Towards the end of Q3 volumes were again comparable with last year, and in September volumes were almost on level with 2022. The total Dover Strait market contracted 1.3% in the quarter.

Ferry Division

DKK m	2023		2023	2023	2022	2022			2022-23		2022
	Q1	Q2	Q3	Q1-Q3	Q1-Q3	Q1	Q2	Q3	Q4	LTM	Full-year
Revenue	3,820	4,176	4,506	12,503	12,779	3,482	4,544	4,753	4,052	16,555	16,831
Freight	3,312	3,270	3,052	9,633	10,426	3,172	3,752	3,503	3,423	13,056	13,849
Passenger	508	907	1,454	2,870	2,353	310	793	1,250	629	3,498	2,982
Operating costs	-2,248	-2,188	-2,275	-6,711	-7,191	-2,130	-2,520	-2,541	-2,349	-9,061	-9,541
Ferry operations	-527	-495	-510	-1,532	-1,359	-457	-397	-505	-528	-2,060	-1,886
Bunker	-752	-713	-791	-2,256	-3,087	-817	-1,135	-1,135	-942	-3,198	-4,030
Port terminal operations	-793	-796	-809	-2,398	-2,301	-722	-814	-765	-690	-3,088	-2,991
Transport and warehouse solutions	-176	-184	-165	-525	-444	-134	-174	-137	-190	-715	-634
Employee costs	-630	-639	-668	-1,937	-1,755	-544	-601	-609	-609	-2,546	-2,363
Sales, general and administration	-216	-246	-268	-730	-708	-209	-206	-293	-235	-965	-943
EBITDA	727	1,103	1,294	3,124	3,125	598	1,218	1,310	859	3,983	3,984
Freight	717	754	535	2,006	2,355	689	944	722	728	2,735	3,083
Passenger	9	350	758	1,117	770	-91	274	587	131	1,248	901
Other income/costs, net	-4	-8	-14	-25	-8	-2	-2	-5	-3	-29	-12
Depreciation and impairment	-430	-445	-457	-1,332	-1,333	-435	-456	-442	-445	-1,777	-1,778
EBITA	293	651	823	1,766	1,784	161	760	863	411	2,177	2,194
Amortisation	-9	-9	-9	-28	-29	-10	-10	-10	-9	-38	-38
EBIT	283	642	813	1,738	1,755	151	750	854	401	2,139	2,156
Invested capital, end of period	21,390	21,310	21,613	21,613	21,113	21,026	20,566	21,113	21,418	21,613	21,418
EBITDA-margin, %	19.0	26.4	28.7	25.0	24.5	17.2	26.8	27.6	21.2	24.1	23.7
EBITA-margin, %	7.7	15.6	18.3	14.1	14.0	4.6	16.7	18.2	10.1	13.2	13.0
EBIT-margin, %	7.4	15.4	18.1	13.9	13.7	4.3	16.5	18.0	9.9	12.9	12.8
Gross Capex (excl. acquisitions and leases)	438	150	264	852	1,784	836	328	621	247	1,098	2,031
ROIC before acquisition intangibles, % LTM	-	-	-	12.4	11.9	-	-	-	-	12.4	12.6
ROIC, % LTM	-	-	-	9.9	9.4	-	-	-	-	9.9	10.0
Average number of employees	-	-	-	6,516	6,048	-	-	-	-	6,292	6,138
Number of ships	-	-	-	65	82	-	-	-	-	-	64
Lane metres, '000	9,647	9,795	9,455	28,897	32,054	10,617	11,523	9,915	9,692	38,589	41,746
North Sea *	3,508	3,600	3,408	10,516	10,791	3,625	3,701	3,465	3,421	13,938	14,212
Mediterranean	1,345	1,375	1,274	3,993	4,118	1,363	1,426	1,329	1,448	5,442	5,566
Channel	3,993	4,026	3,953	11,971	14,260	4,629	5,410	4,220	3,904	15,875	18,164
Baltic Sea	802	794	820	2,416	2,886	999	986	900	918	3,334	3,804
Capacity utilisation freight, %	59	56	53	56	63	66	68	56	57	56	61
Number of cars, '000	152	301	495	948	916	100	309	508	208	1,155	1,124
Passengers, '000	619	1,205	1,812	3,637	2,971	283	984	1,704	801	4,437	3,772

* Includes volumes for the routes Oslo-Frederikshavn-Copenhagen and Amsterdam-Newcastle.
Definitions on page 32.

Volumes in the North Sea network were 1.5% below 2022 as automotive volumes remained robust while volumes between Sweden and the UK declined. Mediterranean volumes were 3.1% below 2022 as activity levels dipped through the summer but volumes were back on level with last year in September.

Total Q3 passenger volumes increased 6.4% to 1.8m compared to 2022. The Q3 2023 volumes were at index 90 compared to Q3 2019. Volumes on the Baltic Sea as well as on the Norway-Denmark and Netherlands-UK routes were in total on a level with 2019. Channel volumes were compared to 2019 at index 87 for DFDS which was above the index for the total Dover Strait market.

Financial performance

Q3 revenue decreased 5.2% to DKK 4,506m compared to 2022 but increased 9.6% adjusted for bunker surcharges. Passenger revenue increased 16.3% driven by growth in spend and passenger volumes. Freight ferry revenue, adjusted, was up 6.1% as higher rates offset the revenue impact of the volume decrease.

EBITDA decreased 1% to DKK 1,294m as lower freight earnings were almost fully offset by higher passenger earnings. The passenger EBITDA increased 29% or DKK 171m to DKK 758m driven by the increase in the number of passengers, higher revenue per passenger, bunker cost savings, and a one-off impact from reversal of a provision related to Covid-19. The freight ferry EBITDA decreased 26% to DKK 535m due to a reduction in oil price spreads compared to the spike in 2022. Oil price spread levels started to normalise during Q1 2023. Total freight

ferry earnings were on level with last year, adjusted for the oil price spread impact, as higher rates and operational cost savings offset a negative impact from lower volumes.

EBITA decreased 5% to DKK 823m following higher depreciation.

The invested capital at the end of Q3 2023 increased 2% to DKK 21.6bn compared to Q3 2022 mainly due to an increase in right-of-use ships. The invested capital was DKK 17.5bn excluding acquisition intangibles.

The return on invested capital before acquisition intangibles, ROIC BAI, was 12.4% compared to 11.9% in Q3 2022, and ROIC was 9.9% compared to 9.4% in Q3 2022.

Continued improvement of CO2 efficiency

The improvement of fuel efficiency continued in Q3 2023. CO2 emissions per GT nautical mile decreased across the entire route network, including both owned and chartered vessels. Own fleet emissions were reduced 2.4% to 12.0 gCO2 per GT NM from 12.3 gCO2 per GT NM in Q3 2022. Emissions from the entire route network decreased 3.9%

to 12.2 gCO2 per GT NM from 12.7 gCO2 per GT NM in Q3 2022.

Decarbonisation activities

Short-term emission reductions were achieved by incremental fleet upgrades, including coating hulls with silicone-based antifouling paints and hull modifications.

The schedule optimisation program continued in Q3 to reduce sailing speed and thereby fuel consumption and CO2 emissions.

DFDS has intensified its efforts by looking into other decarbonization solutions, which among others include an electrification project with battery-powered ferries for The Channel.

Social performance

The female representation increased for both the land-based and the sea-based organisations within the Ferry division. In the land-based operation the female representation increased one ppt to 31% in Q3 2023 compared to

Ferry Division

			2023		2022		2022		2022-23		2022
	Q1	Q2	Q3	Q1-Q3	Q1-Q3	Q1	Q2	Q3	Q4	LTM	Full-year
Representation of women, Sea, %	19	20	20	20	20	18	19	20	19	-	19
Representation of women, Land, %	30	31	30	30	30	29	30	30	30	-	30
Lost-time injury frequency (LTIF), Sea*	4.3	1.9	3.7	3.7	4.8	3.8	4.8	5.2	3.4	3.9	4.5
Lost-time injury frequency (LTIF), Land*	14.9	14.1	4.1	10.9	12.1	14.2	7.7	13.6	8.1	10.2	11.1

* 2022 LTIF figures excludes primeRail, acquired in May 2022

30% in Q3 in 2022. In the sea-based operation a similar increase of one ppt from 19% in Q3 2022 to 20% in Q3 2023.

The land based LTIF decreased to 4.1 in Q3 2023 from 13.6 in Q3 2022. A large improvement was achieved across DFDS' own operated terminals where promotion of a strong safety culture and performance review meetings with local and divisional management are starting to impact safety records. Focus going forward will be on ensuring a consistent low number of incidents as well as applying insights from the data collected from the implementation of the new health & safety system.

The sea-based LTIF was reduced in both Q3 and YTD for 2023. The quarterly performance was reduced to 3.7 in Q3 2023 from 5.2 in Q3 2022. The YTD performance was reduced from 4.8 in 2022 to 3.7 in 2023. The sea based Health & Safety organisation has been focusing on continued awareness, both within training and learnings from near-miss situations.

Logistics Division

- Slowdown in transport markets
- Contract logistics markets more robust
- One-off costs reduced earnings
- Acquisitions performing as expected
- More than 50 e-trucks now in operation

Q3 overview and activity changes

International dry full-load volumes between Scandinavia and the Continent remained above last year in Q3. Volumes to and from the UK as well as between Sweden and the Baltics decreased in the quarter. Transports of building materials weakened further in the quarter.

Cold chain export meat volumes from Denmark and the Netherlands decreased further while UK domestic seafood volumes were more robust, although Scottish volumes remained below last year.

Overcapacity in haulage markets raised price pressure in the quarter as customers increased tender activity.

Logistics Division

DKK m	2023	2023	2023	2023	2022	2022				2022-23	2022
	Q1	Q2	Q3	Q1-Q3	Q1-Q3	Q1	Q2	Q3	Q4	LTM	Full-year
Revenue	2,849	3,088	2,985	8,923	8,591	2,666	2,979	2,947	2,832	11,755	11,423
Dry Goods	1,562	1,586	1,506	4,653	4,590	1,418	1,618	1,553	1,569	6,222	6,158
Cold Chain	1,278	1,487	1,484	4,248	3,988	1,251	1,349	1,388	1,252	5,500	5,240
Operating costs											
Transport and warehousing costs	-1,864	-1,917	-1,864	-5,644	-5,979	-1,850	-2,084	-2,045	-1,925	-7,569	-7,904
Gross profit	985	1,172	1,121	3,278	2,612	816	894	902	907	4,186	3,520
Sales, general and administration	-169	-179	-182	-531	-416	-158	-142	-116	-84	-614	-499
Employee costs	-517	-648	-620	-1,785	-1,409	-442	-478	-490	-545	-2,330	-1,955
EBITDA	299	345	319	963	787	216	274	297	278	1,241	1,066
Other income/costs, net	4	5	5	14	2	-5	4	3	10	23	12
Depreciation and impairment	-163	-180	-190	-533	-402	-132	-135	-135	-149	-682	-551
EBITA	140	169	135	443	387	79	143	165	139	582	526
Amortisation	-18	-24	-16	-59	-37	-12	-12	-13	-15	-74	-52
EBIT	122	145	118	385	350	68	131	152	123	508	474
Gross profit margin, %	34.6	37.9	37.6	36.7	30.4	30.6	30.0	30.6	32.0	35.6	30.8
EBITDA-margin, %	10.5	11.2	10.7	10.8	9.2	8.1	9.2	10.1	9.8	10.6	9.3
EBITA-margin, %	4.9	5.5	4.5	5.0	4.5	3.0	4.8	5.6	4.9	5.0	4.6
EBIT-margin, %	4.3	4.7	4.0	4.3	4.1	2.5	4.4	5.2	4.4	4.3	4.1
Invested capital, end of period	6,693	6,700	6,890	6,890	5,127	4,610	4,741	5,127	5,283	6,890	5,283
Gross Capex (excl. acquisitions and leases)	144	74	94	312	404	68	198	138	294	606	698
ROIC before acquisition intangibles, %, LTM	-	-	-	12.9	14.3	-	-	-	-	12.9	14.9
ROIC, %, LTM	-	-	-	6.5	7.2	-	-	-	-	6.5	7.7
Average number of employees	-	-	-	5,585	4,568	-	-	-	-	5,036	4,544

Definitions on page 32.

Activity levels for contract logistics solutions, including warehousing, remained more firm compared to the transport market and utilisation in the new warehousing facilities in Sweden, the Netherlands, and the UK continued to develop in line with expectations.

Financial performance

Q3 revenue increased 1.3% to DKK 2,985m compared to Q3 2022 and decreased 13.5% adjusted for acquisitions.

The adjusted decrease was driven by lower activity and surcharge levels as the latter amongst other things cover changes in fuel and energy costs. In addition, a Norwegian cold chain activity was closed.

Gross profit increased 24% or DKK 219m to DKK 1,121m and the gross profit margin improved to 37.6% from 30.6% in Q3 2022. The increase was driven mainly by a

positive impact from acquisitions and an increase in the share of higher-margin contract logistics revenue.

EBITDA increased 8% to DKK 319m and decreased 21% adjusted for acquisitions. The adjusted decrease of DKK 61m includes one-off costs related to closure of the Bruges cold chain office and transfer of its activities to the organisation in the Netherlands. A bad debt provision also lowered the result.

Earnings were moreover reduced by the volume decline in the full-load transport market, meat volumes, and specialised premium transports.

EBITA decreased 18% or DKK 30m to DKK 135m and the EBITA-margin decreased to 4.5% from 5.6% in Q3 2022.

The invested capital increased 34% or DKK 1.8bn to DKK 6.9bn at the end Q3 2023. Invested capital added by acquisitions amounted to DKK 1.5bn. The remaining increase was primarily related to expansion of warehousing capacity. The invested capital was DKK 4.2bn excluding acquisition intangibles.

The return on invested capital before acquisition intangibles, ROIC BAI, was 12.9% compared to 14.3% in Q3 2022, and ROIC was 6.5% compared to 7.2% in Q3 2022.

Decarbonisation activities

The deployment of more electric trucks in several countries continued in Q3. 50 of the total 125 ordered eTrucks are now in operation in Sweden, Denmark, Belgium, Lithuania and Netherlands. The implementation team is currently working on the deployment of additional eTrucks in Germany.

The work of installing charging capacity in key locations continues across the network. The facilities produce green electricity – making 97% of flows operated by eTrucks zero emission on a Well-to-Wheels basis.

Social performance

The share of female representation within the Logistics division was reduced from 17% in Q3 2022 to 15% in Q3 2023. This decline is among other things due to acquisitions during the last year. Despite the structural challenges within the industry DFDS continues to maintain a strong and dedicated focus on Diversity & Inclusion to improve minority representation.

The LTIF for Q2 2023 increased to 5.9 in Q3 2023 from 4.1 in Q3 2022. The majority of the incidents in Q3 are of a behavioral nature with lack of focus on own safety. Main root causes continue to be slips, trips and fall incidents. Focus in Q4 is on behavioral incidents related to particularly our haulage operation and implementation of a new health & safety system that has started for the larger logistics sites and will continue in Q4.

Logistics Division

	2023		2023	2023	2022	2022				2022-23	2022
	Q1	Q2	Q3	Q1-Q3	Q1-Q3	Q1	Q2	Q3	Q4	LTM	Full-year
Representation of women, Land, %*	17	17	15	15	17	17	17	17	17	-	17
Lost-time injury frequency (LTIF), Land*	10.7	5.7	5.9	7.9	6.5	11.2	5.7	4.1	10.1	8.4	7.5

* 2022 ESG data excludes ICT Logistics Group (acquired in January 2022), Lucey Transport Logistics (acquired in September 2022) and 2023 ESG data excludes McBurney Transport Group (acquired in February 2023) and Lucey Transport Logistics for LTIF figures. 2023 Q3 data excludes Estron Group (Acquired in September 2023)

Management statement

The Board of Directors and the Executive Board have reviewed and approved the interim report of DFDS A/S for the period 1 January – 30 September 2023.

The interim 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 EU, and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the DFDS Group's assets, liabilities, and financial position at 30 September 2023 and of the results of the DFDS Group's operations and cash flow for the period 1 January – 30 September 2023.

Further, in our opinion, the Management review p. 2-17 gives a true and fair review of the development in the DFDS Group's operations and financial matters, the result of the DFDS Group's operations for the period and the financial position as a whole.

Copenhagen, 15 November 2023



Executive Board Torben Carlsen, CEO. Karina Deacon, CFO

Board of Directors Claus V. Hemmingsen, Chair, Klaus Nyborg, Vice Chair, Minna Aila, Anders Götzsche, Marianne Henriksen, Kristian Kristensen, Jill Lauritzen Melby, Lars Skjold-Hansen, Dirk Reich

DFDS Group - Income statement

DKK m	Note	2023 Q3	2022 Q3	2023 Q1-Q3	2022 Q1-Q3	2022-23 LTM	2022 Full-year
Revenue	3	7,190	7,324	20,472	20,331	27,014	26,873
Costs							
Ferry and other ship operation and maintenance		-1,389	-1,766	-4,065	-4,869	-5,622	-6,426
Port terminal operations		-835	-780	-2,476	-2,358	-3,208	-3,090
Transport and warehouse solutions		-1,636	-1,692	-4,948	-4,978	-6,627	-6,657
Employee costs		-1,409	-1,202	-4,071	-3,461	-5,336	-4,726
Costs of sales, general and administration		-327	-294	-909	-779	-1,130	-1,000
Operating profit before depreciation (EBITDA)		1,592	1,591	4,004	3,886	5,092	4,974
Share of profit/loss of associates and joint ventures		-7	-2	-20	-8	-25	-14
Profit/loss on disposal of non-current assets, net		-2	1	8	2	20	14
Depreciation, ferries and other ships		-368	-358	-1,068	-1,100	-1,415	-1,447
Depreciation and impairment losses, other non-current assets		-287	-229	-829	-665	-1,088	-924
Operating profit before amortisation (EBITA)		927	1,002	2,095	2,115	2,583	2,603
Amortisation and impairment losses, intangibles		-40	-34	-127	-99	-164	-135
Operating profit (EBIT)		888	968	1,968	2,016	2,420	2,468
Financial income		6	13	31	32	84	80
Financial costs		-200	-129	-517	-287	-644	-409
Profit before tax		693	853	1,482	1,762	1,860	2,139
Tax on profit		-35	-36	-155	-126	-149	-120
Profit for the period		658	817	1,327	1,636	1,710	2,019
Attributable to:							
Equity holders of DFDS A/S		658	814	1,323	1,625	1,708	2,010
Non-controlling interests		-1	3	3	11	3	10
Profit for the period		658	817	1,327	1,636	1,710	2,019
Earnings per share							
Basic earnings per share (EPS) of DKK 20, DKK		11.72	14.21	23.46	28.38	30.16	35.09
Diluted earnings per share (EPS-D) of DKK 20, DKK		11.69	14.20	23.41	28.34	30.11	35.04

DFDS Group – Statement of Comprehensive income

DKK m	2023 Q3	2022 Q3	2023 Q1-Q3	2022 Q1-Q3	2022-23 LTM	2022 Full-year
Profit for the period	658	817	1,327	1,636	1,710	2,019
Other comprehensive income						
Items that will not be reclassified subsequently to the Income statement:						
Remeasurement of defined benefit pension obligations	0	0	0	0	-46	-46
Tax on items that will not be reclassified to the Income statement	0	0	0	0	10	10
Items that will not be reclassified subsequently to the Income statement	0	0	0	0	-36	-36
Items that are or may be reclassified subsequently to the Income statement:						
Value adjustment of hedging instruments:						
Value adjustment for the period	-89	71	18	204	84	270
Value adjustment transferred to operating costs	-15	-1	-110	-1	-100	9
Value adjustment transferred to financial costs	-4	2	-9	10	-14	5
Value adjustment transferred to non-current tangible assets	0	0	0	7	0	7
Tax on items that may be reclassified to the Income statement	0	-21	0	-33	-8	-41
Foreign exchange adjustments, subsidiaries	30	-58	31	-146	-1	-177
Items that are or may be reclassified subsequently to the Income statement	-78	-6	-70	41	-39	72
Total other comprehensive income after tax	-78	-6	-71	41	-76	36
Total comprehensive income	580	811	1,256	1,677	1,634	2,055
Attributable to:						
Equity holders of DFDS A/S	581	807	1,253	1,667	1,631	2,045
Non-controlling interests	-1	4	3	10	3	10
Total comprehensive income	580	811	1,256	1,677	1,634	2,055

DFDS Group - Balance sheet

Assets

DKK m	Note	2023 30 Sept	2022 30 Sept	2022 31 Dec.
Goodwill		4,945	4,481	4,407
Other non-current intangible assets		1,853	1,642	1,701
Software		346	317	324
Development projects in progress		13	11	12
Non-current intangible assets		7,156	6,451	6,444
Land and buildings		742	493	559
Terminals		843	815	836
Ferries and other ships		11,846	13,262	13,186
Equipment, etc.		1,965	1,525	1,600
Assets under construction and prepayments		349	334	369
Right-of-use assets		5,041	4,178	4,648
Non-current tangible assets		20,786	20,606	21,197
Investments in associates, joint ventures and securities		2	18	13
Receivables		1	16	16
Prepaid costs		30	137	124
Deferred tax		51	26	49
Pension assets		-	40	-
Derivative financial instruments		259	298	299
Other non-current assets		344	535	500
Non-current assets		28,286	27,592	28,141
Inventories		382	360	324
Trade receivables		3,620	3,739	3,343
Receivables from associates and joint ventures		34	26	23
Other receivables		574	606	649
Prepaid costs		417	324	368
Derivative financial instruments		63	89	48
Cash		1,182	1,452	1,189
Current assets		6,272	6,596	5,943
Assets classified as held for sale	7	1,267	-	-
Total current assets		7,539	6,596	5,943
Assets		35,825	34,188	34,084

Equity and liabilities

DKK m	2023 30 Sept	2022 30 Sept	2022 31 Dec.
Share capital	1,173	1,173	1,173
Reserves	-376	-324	-284
Retained earnings	12,936	11,790	12,133
Equity attributable to equity holders of DFDS A/S	13,732	12,639	13,022
Non-controlling interests	93	114	114
Equity	13,825	12,753	13,135
Interest-bearing liabilities	7,838	4,139	8,481
Lease liabilities	4,298	3,487	3,916
Deferred tax	430	360	359
Pension and jubilee liabilities	76	84	88
Other provisions	41	59	44
Derivative financial instruments	3	12	8
Non-current liabilities	12,686	8,141	12,896
Interest-bearing liabilities	3,404	7,274	2,349
Lease liabilities	875	774	788
Trade payables	3,516	4,027	3,661
Payables to associates and joint ventures	4	17	12
Other provisions	92	57	52
Corporation tax	185	194	170
Other payables	932	743	756
Derivative financial instruments	69	10	40
Prepayments	238	199	223
Current liabilities	9,314	13,294	8,053
Liabilities	22,000	21,435	20,949
Equity and liabilities	35,825	34,188	34,084

DFDS Group - Statement of changes in equity 1 January - 30 September 2023

DKK m	Share capital	Translation reserve	Hedging Reserve	Treasury shares	Retained earnings	Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
Equity at 1 January 2023	1,173	-543	286	-28	12,133	13,022	114	13,135
Comprehensive income for the period								
Profit for the period					1,323	1,323	3	1,327
Other comprehensive income	0	30	-101	0	0	-71	0	-71
Total comprehensive income	0	30	-101	0	1,323	1,253	3	1,256
Transactions with owners:								
Acquisition, non-controlling interests					17	17	-25	-8
Dividend paid					-293	-293		-293
Dividend on treasury shares					12	12		12
Share-based payments					23	23		23
Share buyback				-21	-279	-300		-300
Transactions with owners	0	0	0	-21	-521	-542	-25	-567
Equity at 30 September 2023	1,173	-512	185	-49	12,936	13,732	93	13,825

DFDS Group - Statement of changes in equity 1 January - 30 September 2022

DKK m	Share capital	Translation reserve	Hedging Reserve	Treasury shares	Retained earnings	Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
Equity at 1 January 2022	1,173	-366	-5	-25	10,669	11,446	108	11,554
Comprehensive income for the period								
Profit for the period					1,625	1,625	11	1,636
Other comprehensive income	0	-145	220	0	-33	41	0	41
Total comprehensive income	0	-145	220	0	1,592	1,667	10	1,677
Transactions with owners:								
Acquisition, non-controlling interests					1	1	-1	0
Dividend paid					-235	-235		-235
Dividend paid, non-controlling interests						0	-3	-3
Dividend on treasury shares					5	5		5
Extraordinary dividend paid					-235	-235		-235
Extraordinary dividend on treasury shares					5	5		5
Share-based payments					16	16		16
Purchase of treasury shares				-2	-30	-32		-32
Transactions with owners	0	0	0	-2	-472	-474	-4	-478
Equity at 30 September 2022	1,173	-511	215	-28	11,790	12,639	114	12,753

DFDS Group – Statement of cash flows

DKK m	Note	2023 Q3	2022 Q3	2023 Q1-Q3	2022 Q1-Q3	2022-23 LTM	2022 Full-year
Operating profit before depreciation (EBITDA)		1,592	1,591	4,004	3,886	5,092	4,974
Adjustments for non-cash operating items, etc.		18	1	55	19	81	45
Change in working capital		-295	-176	-243	-50	-187	6
Payment of pension liabilities and other provisions		-6	-55	-25	-72	-50	-97
Interest received, etc.		5	13	23	23	50	50
Interest paid, etc.		-164	-95	-489	-263	-615	-388
Taxes paid		-44	-25	-131	-89	-152	-109
Cash flow from operating activities		1,105	1,253	3,194	3,455	4,220	4,480
Investments in ferries including dockings, etc.		-233	-530	-742	-1,577	-913	-1,747
Sale of ferries		0	0	0	21	0	21
Investments in other non-current tangible assets		-126	-236	-427	-667	-786	-1,026
Sale of other non-current tangible assets		12	23	64	56	120	113
Investments in non-current intangible assets		-20	-18	-57	-50	-77	-70
Acquisition of enterprises, associates, joint ventures, and activities, net of cash acquired incl. earn-outs	4	-34	-224	-1,016	-280	-1,016	-280
Divestment of enterprises and associates		0	-2	0	-2	0	-2
Other investing cash flows		-10	0	-11	0	-8	3
Cash flow from investing activities		-411	-987	-2,188	-2,498	-2,679	-2,989
Free cash flow		695	266	1,006	957	1,541	1,491
Proceed from bank loans and loans secured by mortgage in ferries		14	1,800	1,436	3,901	1,438	3,903
Repayment and instalments of bank loans and loans secured by mortgage in ferries		-387	-690	-2,182	-2,041	-2,772	-2,632
Proceed from issuance of corporate bonds		0	0	981	0	981	0
Repayment of corporate bonds incl. settlement of cross currency swap		0	-1,000	0	-1,000	0	-1,000
Payment of lease liabilities		-228	-226	-669	-750	-882	-963
Settlement of forward exchange contracts related to leases		3	5	9	11	13	15
Acquisition of treasury shares and share buyback		0	0	-300	-32	-300	-32
Other financing cash flows		-8	-2	-8	-33	-8	-33
Dividends paid to non-controlling interests		0	0	0	-3	0	-3
Dividends paid to equity holders of DFDS A/S		0	-229	-281	-459	-281	-459
Cash flow from financing activities		-606	-342	-1,014	-405	-1,811	-1,203
Net cash flow		89	-75	-8	552	-271	288
Cash and cash equivalents at beginning of period		1,092	1,528	1,189	902	1,452	902
Foreign exchange and value adjustments of cash and cash equivalents		1	-1	1	-2	1	-2
Cash and cash equivalents at end of period *		1,182	1,452	1,182	1,452	1,182	1,189

* At 30 September 2023 DKK 14m (30 September 2022: DKK 175m) of the cash was deposited on restricted bank accounts.

Note 1 Accounting policies and significant estimates

Basis of reporting

This section provides an overview of the Groups principal accounting policies as well as new and amended IFRS standards and interpretations.

Accounting policies

This interim report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The interim report has been prepared using the same accounting policies, judgements and estimates as for the annual report for 2022 except as described below.

Special Items

As from 2023 special items will not be presented separately in the income statement, reference is made to note 2.6 of the 2022 annual report. Comparative figures have been restated.

Introducing EBITA as a new sub-total

Management has, in 2023, introduced EBITA in the income statement defined as result before interest, tax and amortisation.

Implementation of new or changed accounting standards and interpretations

DFDS has adopted all new, amended, or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on 1 January 2023 none of which has had material impact on the Group's Financial Statements.

Significant estimates

In the view of Management, the areas where accounting estimates and assessments are significant remain the same as per DFDS' latest annual report. However, considering the war in Ukraine and the current macro-economic environment certain significant estimates have been revisited in Q1-Q3 2023 compared to year-end 2022. The review did not give rise to a change in estimates.

In the preparation of the Interim Report, Management undertakes several accounting estimates and assessments and makes assumptions which provide the basis for recognition and measurement of the assets, liabilities, revenues and expenses of the Group and the Parent Company. These estimates, assessments and assumptions are based on historical experience and other factors which Management considers reasonable under the circumstances, but which by their nature are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unanticipated events or circumstances may occur, for which reason the actual results may deviate from the applied estimates, assessments, and assumptions.

Impairment considerations due to the war in Ukraine and current macro environment

Impairment testing is undertaken at year-end unless indications of impairment occur during the year. In Q1-Q3 2023 Management has revisited forecasts for all cash generating units (CGUs) and concluded that no impairments nor reversals of prior year impairments are necessary.

Note 2 Segment Information

DKK m	Ferry Division	Logistics Division	Non- allocated	Total
Q1-Q3 2023				
External revenue	11,599	8,859	14	20,472
Intragroup revenue	903	64	526	1,493
Total revenue	12,503	8,923	539	21,965
Operating profit before depreciation (EBITDA)	3,124	963	-83	4,004
Operating profit before amortisation (EBITA)	1,766	443	-115	2,095
Operating profit (EBIT)	1,738	385	-155	1,968
Invested capital, end of period	21,613	6,890	738	29,242

DKK m	Ferry Division	Logistics Division	Non- allocated	Total
Q1-Q3 2022				
External revenue	11,779	8,539	13	20,331
Intragroup revenue	1,001	52	468	1,520
Total revenue	12,779	8,591	481	21,851
Operating profit before depreciation (EBITDA)	3,125	787	-27	3,886
Operating profit before amortisation (EBITA)	1,784	387	-56	2,115
Operating profit (EBIT)	1,755	350	-89	2,016
Invested capital, end of period	21,113	5,127	885	27,125

Note 3 Revenue

DKK m	Q1-Q3 2023			Total
	Ferry Division	Logistics Division	Non-allocated	
Geographical markets				
North Sea	4,390	-	0	4,390
Mediterranean	3,394	-	0	3,394
Baltic Sea	968	-	0	968
Continent	-	3,614	0	3,614
Nordic	-	2,839	0	2,839
UK/Ireland	2,847	2,406	0	5,253
Other	0	0	14	14
Total	11,599	8,859	14	20,472
Product and services				
Seafreight and shipping logistics solutions	7,421	0	0	7,422
Transport solutions	499	8,543	0	9,043
Passenger seafare and on board sales	2,870	0	0	2,869
Terminal services	443	5	0	448
Charters	267	0	0	267
Agency and other revenue	98	310	14	423
Total	11,599	8,859	14	20,472

DKK m	Q1-Q3 2022			Total
	Ferry Division	Logistics Division	Non-allocated	
Geographical markets				
North Sea	4,250	-	0	4,250
Mediterranean	3,365	-	0	3,365
Baltic Sea	1,131	-	0	1,131
Continent	-	3,398	0	3,398
Nordic	-	3,323	0	3,323
UK/Ireland	3,032	1,819	0	4,851
Other	0	0	13	13
Total	11,779	8,539	13	20,331
Product and services				
Seafreight and shipping logistics solutions	7,894	20	0	7,913
Transport solutions	408	8,054	0	8,462
Passenger seafare and on board sales	2,353	0	0	2,353
Terminal services	697	4	0	702
Charters	248	0	0	248
Agency and other revenue	178	462	13	653
Total	11,779	8,539	13	20,331

All material revenue is recognised when each separate obligation in the customer contract is fulfilled following the "over-time principle". Most transports carried out by the Ferry Division are characterised by short delivery time (most sailings are less than 30 hours while sailings to/from Türkiye are up to 72 hours). Transports carried out by Logistics Division can take delivery over a longer period, but the impact is insignificant.

On board sales is recognised according to the "a point in time" principle and amount to DKK 1,251m (Q1-Q3 2022: DKK 982m).

Revenue includes revenue recognised from contracts with customers in accordance with IFRS 15 and other revenue (leasing activities). Revenue from leasing activities amounts to DKK 267m (Q1-Q3 2022: DKK 248m).

Note 4 Acquisition of enterprises and sale of activities

2023

McBurney Transport Group

On 28 February 2023, the acquisition of McBurney Transport Group based in Northern Ireland was completed and the DFDS Group obtained control as from this date. The acquisition is included in the Logistics Division.

The company is focused on moving cold chain and dry goods in trailers by road and ferry between the island of Ireland and the UK. The acquisition of McBurney Transport Group is aligned with DFDS' strategic focus on cold chain logistics. It overlaps with existing activities in the region and offers opportunities to connect with other parts of DFDS' pan-European transport network.

DFDS paid DKK 1,178m for the acquired company. In addition, an earn-out agreement was entered into according to which seller is entitled to additional payment based on the McBurney Transport Groups' financial performance for the following 12 months period after the acquisition. Trade receivables have been recognised at the acquisition date at a fair value of DKK 236m equal to their face value.

The preliminary purchase price allocation shows the following:

DKK m	Preliminary fair value at acquisition date
Non-current intangible assets	214
Land and buildings	144
Equipment etc.	331
Inventories	4
Trade receivables including work in progress services	236
Other receivables	33
Cash at hand and in bank	229
Deferred tax liability	-93
Interest bearing debt	-159
Trade payables	-123
Other current liabilities	-67
Net assets acquired	749
Goodwill	446
Total purchase price	1,195
Contingent consideration assumed	-17
Cash and bank balances acquired	-229
Fair value of the purchase price	949

The above purchase price allocation is preliminary and will be subject to adjustments on several items in the opening balance.

In connection with the acquisition, DFDS has measured identifiable intangible assets i.e., customer relationships etc. which are recognised in the acquisition balance sheet at their fair value. The preliminary fair value is DKK 214m at the acquisition date.

Following recognition of acquired identifiable assets and liabilities at their fair value, the goodwill related to the acquisition is preliminarily measured at DKK 446m.

Note 4 Acquisition of enterprises and sale of activities (continued)

The goodwill represents primarily the value of the staff and know-how taken over and expected synergies from combining the acquired Group with the existing DFDS activities and network. The goodwill is not deductible for tax purposes.

Other 2023 acquisitions

On 22 May 2023 it was announced that DFDS Group had acquired all activities from D.R. MacLeod headquartered in Scotland. DFDS Group obtained control as from this date and the acquired activities is after the acquisition included in the Logistics Division. The purchase price for the acquired activities amounts to DKK 26m.

On 18 July 2023 it was announced that DFDS Group had entered an agreement to acquire all shares in Estron Group headquartered in Rotterdam, Netherlands. Closing of the transaction was completed on 11 September 2023. The purchase price for the acquired activities amount to DKK 52m.

2022

The purchase price allocation for Lucey Transport Logistics (acquired 30 September 2022), primeRail (acquired 10 May 2022) and ICT Logistics (acquired 19 January 2022) are finalised and unchanged compared to 31 December 2022. For further details of these acquisitions, refer to the Annual Report for 2022.

Note 5 Fair value measurement of financial instruments

The table discloses fair value and carrying amount of financial instruments measured at fair value in the balance sheet. Furthermore, categorisation of the valuation method according to the fair value hierarchy is stated.

Transfers between levels of the fair value hierarchy are considered to have occurred at the date of the event or change in circumstances that caused the transfer.

There were no transfers between the levels in the fair value hierarchy in 2023.

DKK m	Q1-Q3 2023		Q1-Q3 2022	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets				
Derivatives (Level 2)	322	322	386	386
Securities (Level 3)	2	2	2	2
Financial liabilities				
Derivatives (Level 2)	72	72	21	21

Techniques for calculating fair values:

Derivatives

DFDS' usage of derivatives includes interest rate swaps, bunker swaps, forward exchange contracts and currency swaps. The fair values on interest rate swaps have been calculated by discounting the expected future interest payments. The discount rate for each interest payment is estimated on the basis of a swap interest curve, which is calculated based on a wide spread of market interest rates. The fair value on forward exchange contracts are based on interest curve calculations in DFDS' Treasury system. Calculations are based on a spread of market interest rates in the various currencies. Calculation on bunker swaps are based on quoted forward curve from various financial institutions.

Note 6 Supplementary financial information on the Parent Company

As a result of DFDS A/S' issuance of corporate bonds on the Oslo Stock Exchange there is a requirement to provide certain supplementary financial information on the Parent Company. The following financial information has been prepared using the same accounting policies as for the Annual Report for 2022, except for special items that will not be presented separately in the income statement, reference is made to note 2.6 of the 2022 annual report. Comparative figures have been restated. DFDS has adopted all new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on 1 January 2023. For further description reference is made to note 1 Accounting policies.

The Parent Company's revenue decrease by DKK 147m, equivalent to 2% compared to Q1-Q3 2022. Operating profit before depreciation (EBITDA) decreased by DKK 45m equivalent to 2% compared to Q1-Q3 2022.

Profit before tax increase by DKK 827m compared to Q1-Q3 2022. Increase is mainly due to dividend received from subsidiaries in 2023 of DKK 1,224m (2022: none).

The Parent Company's net interest-bearing debt increased by DKK 723m compared to 31 December 2022.

DKK m	2023 Q1-Q3	2022 Q1-Q3	2022-23 LTM	2022 Full-year
Income statement				
Revenue	8,665	8,812	11,473	11,621
Operating profit before depreciation (EBITDA)	2,059	2,104	2,613	2,658
Operating profit before amortisation (EBITA)	953	1,019	1,135	1,200
Operating profit (EBIT)	913	986	1,083	1,157
Financial items, net	992	93	1,351	451
Profit before tax	1,905	1,078	2,435	1,608
Profit for the period	1,913	1,084	2,436	1,608
Assets				
Non-current intangible assets	464	440	-	448
Non-current tangible assets	6,670	8,860	-	8,635
Investments in subsidiaries	11,822	8,817	-	9,289
Investments in associates, joint ventures and securities	2	2	-	2
Non-current receivables from subsidiaries	30	62	-	60
Other non-current assets	227	281	-	280
Non-current assets	19,216	18,461	-	18,714
Current receivables from subsidiaries	993	939	-	1,064
Receivables from associates and joint ventures	23	22	-	22
Cash	638	637	-	489
Other current assets	1,448	1,520	-	1,412
Current assets	3,102	3,119	-	2,988
Assets Held for Sale	1,267			
Total assets	23,585	21,580	-	21,702
Equity and liabilities				
Equity	11,920	10,072	-	10,649
Non-current liabilities to subsidiaries	64	123	-	63
Other non-current liabilities	4,984	4,337	-	4,008
Non-current liabilities	5,048	4,460	-	4,071
Current liabilities to subsidiaries	2,432	1,757	-	1,868
Other current liabilities	4,184	5,291	-	5,114
Current liabilities	6,616	7,048	-	6,982
Total equity and liabilities	23,585	21,580	-	21,702
Equity ratio, %	50.5	46.7	-	49.1
Net interest-bearing debt	7,854	7,429	-	7,131

Note 7 Assets held for sale

The carrying amount of assets classified as held for sale on 30 September 2023 is DKK 1,267m (2022: none). No liabilities associated with these assets have been classified as held for sale.

On 30 September 2023, assets held for sale referred to 3 ferries domiciled in Denmark: Flandria Seaways, Humbria Seaways, and Scandia Seaways built in 2020/2020/2021, respectively.

The transaction that resulted in the reclassification of assets held for sale at 30 September 2023, has been completed on 17 October 2023, see note 8 for additional information.

Note 8 Event after Balance sheet date

On 17 October 2023, the Group announced the sale and leaseback transaction of 3 ferries. Flandria Seaways, Humbria Seaways, and Scandia Seaways were included in the transaction with proceeds for the Group of DKK 1,467m. A gain of DKK 95m will be reported.

Subsequent to the balance sheet date, loans of DKK 872m were settled on 19 October 2023.

The leased ferries will be recognised in accordance with IFRS 16 as right of use assets and leasing liabilities in Q4 2023.

Definitions

Operating profit before depreciation (EBITDA)	Profit before interest, tax, depreciation, amortisation, and impairment on non-current assets
Operating profit before amortisation (EBITA)	Profit before interest, tax, and amortisation
Operating profit (EBIT)	Profit before interest and tax
Operating margin, %	$\frac{\text{Operating profit (EBIT)}}{\text{Revenue}} \times 100$
Net operating profit after taxes (NOPAT)	Operating profit (EBIT) minus payable tax for the period adjusted for the tax effect of net finance cost
Invested capital	Non-current intangible and tangible assets plus net working capital (non-interest bearing current assets minus non-interest bearing current liabilities) minus pension and jubilee liabilities and other provisions
Net Interest-bearing debt (NIBD)	Interest-bearing liabilities (excluding provision for pensions) minus interest-bearing assets minus cash and securities
LTM	Last twelve months
Acquisition intangibles	Intangible assets recognised in connection with acquiring enterprises and activities (Goodwill and Other non-current intangible assets)
Return on invested capital (ROIC), %	$\frac{\text{Net operating profit after taxes (NOPAT LTM)}}{\text{Average invested capital LTM}} \times 100$
ROIC before acquisition intangibles (ROIC BAI), %	$\frac{\text{Net operating profit after taxes (NOPAT LTM) excluding amortisation on acquisition intangible assets}}{\text{Average invested capital excluding acquisition intangible assets LTM}} \times 100$
Free cash flow	Cash flow from operating activities minus cash flow from investing activities
Adjusted free cash flow (FCFE)	Free cash flow excluding acquisitions/divestments minus payment of lease liabilities and currency contracts related to leases
Return on equity, %	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Average equity excluding non-controlling interests}} \times 100$
Equity ratio, %	$\frac{\text{Equity at end of period}}{\text{Total assets}} \times 100$
Financial leverage, times	$\frac{\text{Net Interest-bearing debt (NIBD)}}{\text{EBITDA LTM incl. pro forma EBITDA for acquired companies}}$
Earnings per share (EPS)	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Weighted average number of ordinary shares in circulation}}$
Dividend per share	$\frac{\text{Dividend for the year}}{\text{Number of shares at the end of the period}}$
Number of ships	Owned and chartered ships, including slot charter and vessel sharing agreements
Passenger	Comprise activities related to persons travelling with or without car and who is carried on a ro-pax or passenger cruise ferry across the DFDS route network.

Rounding's may in general cause variances in sums and percentages in this report.

ESG Definitions

Total distance sailed	Total distance sailed for vessels in commercial operation
CO2 emissions per GT nautical mile (Own fleet)	Emissions measured as gCO2 per gross tonnage nautical mile for vessels in commercial operation (Own fleet)
CO2 emissions per GT nautical mile (Route network)	Emissions measured as gCO2 per gross tonnage nautical mile for vessels in commercial operation (Route network)
Total fuel consumption (Route network)	Total consumption of heavy fuel oil (HFO) and marine gas oil (MGO) for vessels in commercial operation (Route network)
Spills (>1 barrel)	Incidents of oil spills larger than one barrel into the sea from vessels in operation
Total workforce	Percentage of women in total workforce (end of period)
Non-office based	Percentage of women of total number of non-office based employees (end of period)
Office based	Percentage of women of total number of office based employees (end of period)
Senior management	Percentage of women of total number of senior management positions defined as EVPs and VPs (end of period)
Managers	Percentage of women of total number of management positions, excluding senior management, defined as positions with responsibility for at least one other employee (end of period)
Lost time injury frequency (LTIF), sea	Number of registered work-related accidents disabling a seafarer to work for more than 24 hours per one million exposure hours
Lost time injury frequency (LTIF), land	Number of registered work-related accidents disabling a land-based employee work for more than 24 hours per one million exposure hours
Colleagues	Number of fatalities among employees caused by work-related accidents
Contractors	Number of fatalities among third-party contractors caused by work-related accidents while operating for DFDS
Representation of women on Board of Directors (AGM elected members)	Percentage of women of total number of members of the Board of Directors, excluding staff appointed members, elected at the Annual General Meeting
Board nationality – non-Danish (AGM elected members)	Percentage of non-Danish members of total number of members of the Board of Directors elected at the Annual General Meeting
Independent directors (AGM elected members)	Percentage of independent directors of total number of members of the Board of Directors elected at the Annual General Meeting
Attendance at Board meetings (All Board members)	Percentage of total number of Board meetings attended (Not gender specific)
Whistle-blower reporting	Number of cases of whistle-blower reports

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Disclaimer

The statements about the future in this announcement contains risks and uncertainties and actual developments may therefore diverge significantly from the statements about the future.

About DFDS

We operate a transport network in and around Europe with an annual revenue of DKK 27bn and 13,000 full-time employees.

We move goods in trailers by ferry, road, and rail, plus we offer complementary and related logistics solutions.

We also move car and foot passengers on short sea and overnight ferry routes.

DFDS was founded in 1866 and is headquartered and listed in Copenhagen.