

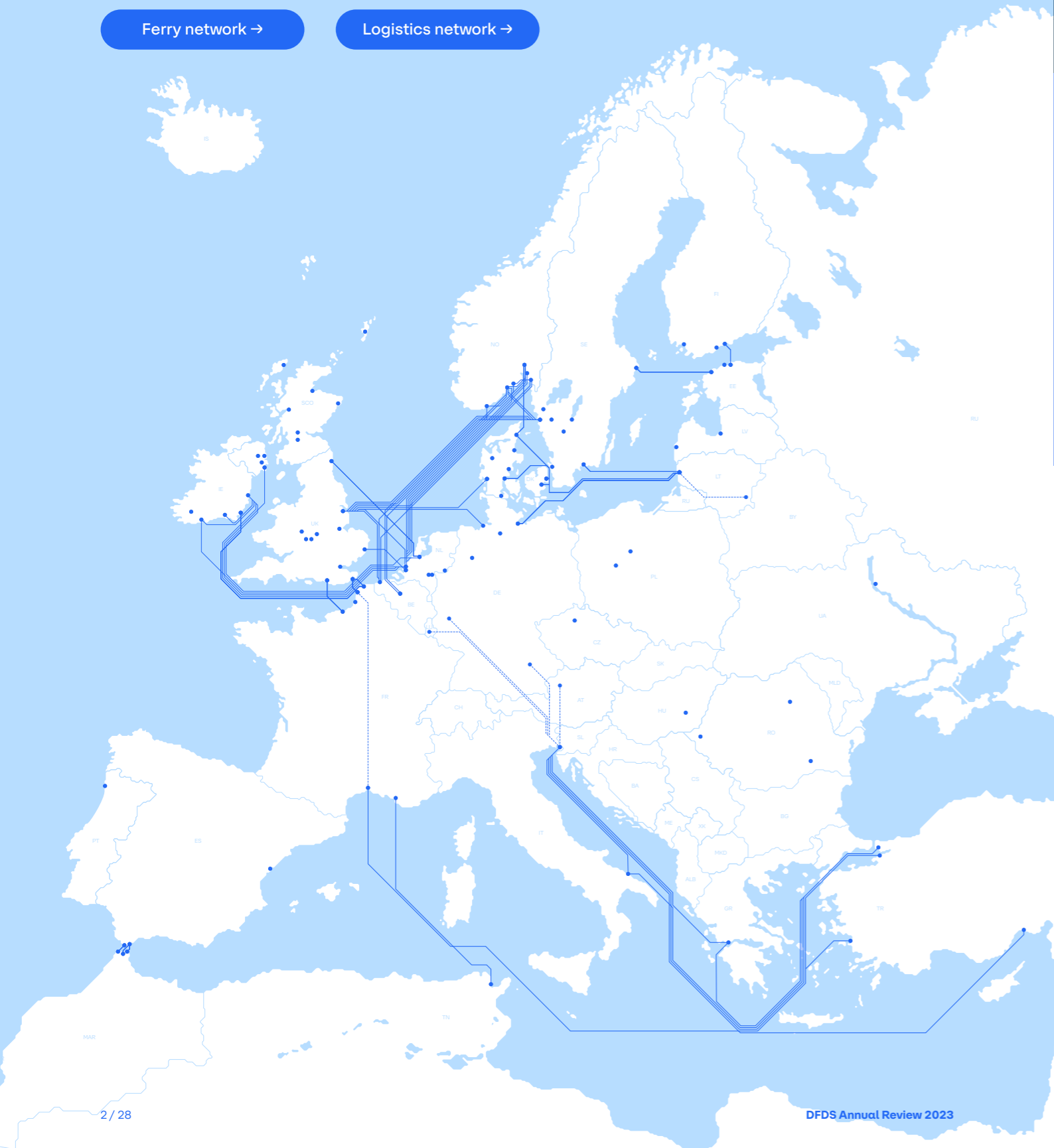
Annual Review 2023



We keep Europe moving

Ferry network →

Logistics network →



13,200

People

66

Logistics locations
including 35 warehouses

66 

Ferries

30 

Ferry routes
18 carry only freight
12 carry freight & passengers

We move goods in trailers*
by ferry, road & rail



... and people in
cars & on foot

*and trailer equivalents

We are Moving Together Towards ...



A reliable, efficient ferry & logistics network **for our customers**



A great place to work **for our people**



A green transition leader **for the planet**



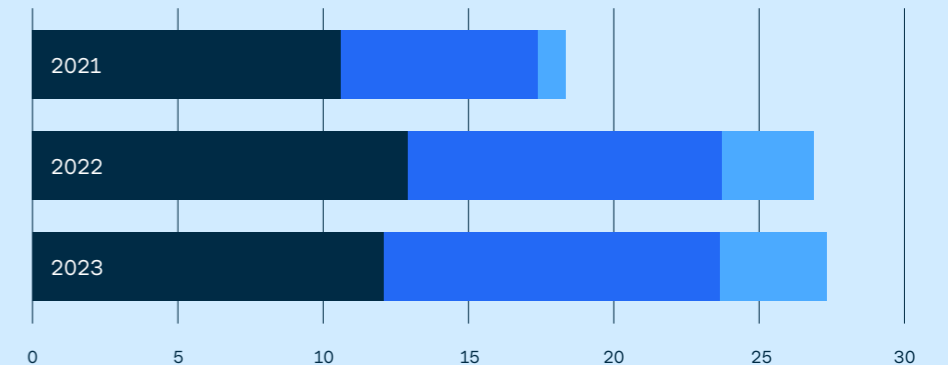
Value creation and stable returns **for our shareholders**

Key results 2023

Revenue per division

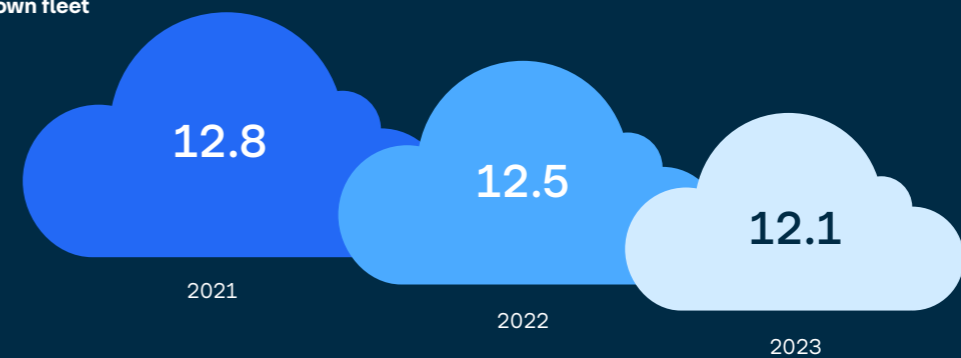
DKK bn

- Ferry Division, Freight
- Logistics Division
- Ferry Division, Passenger



CO₂ emissions own fleet

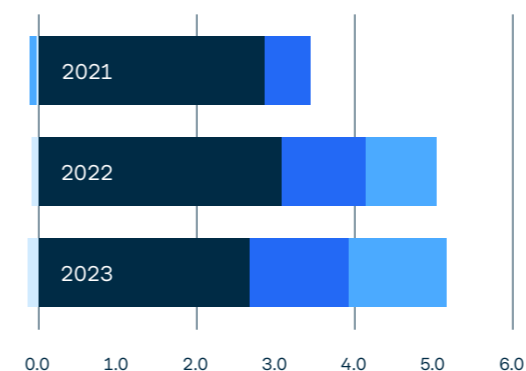
g CO₂/GT mile



EBITDA per division

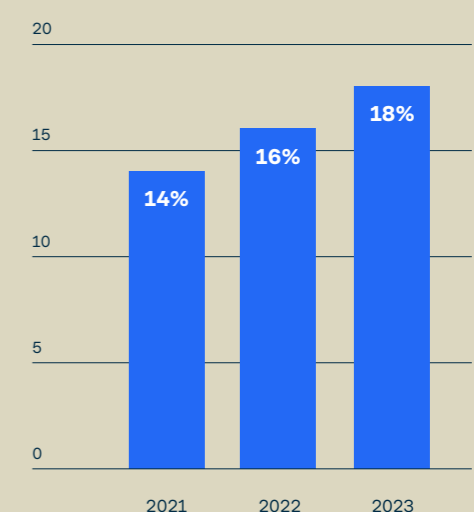
DKK bn

- Ferry Division, Freight
- Logistics Division
- Non-allocated items
- Ferry Division, Passenger



Female ratio of managers

%





From left to right
Claus V. Hemmingsen, Chair
Torben Carlsen, CEO

Moving Together Towards 2030 from Win23

We successfully completed our Win23 strategy in 2023 having significantly expanded and strengthened our network over the past five years. We also met the strategy's financial ambitions despite the challenging market conditions, once again demonstrating the importance of being able to adapt to changes in macro, operating, and financial environments.

The shift in economic fundamentals that began in 2022 continued in 2023 as growth was held back by high inflation and rising interest rates. The geopolitical tensions that emerged in 2022 persisted in 2023, and unfortunately look set to remain elevated in 2024.

Moreover, 2023 was the warmest year on record so far for our planet, a poignant sign of the need to reduce and ultimately eliminate greenhouse gas emissions. Throughout 2023 we adapted our operations to the changing market conditions to deliver on our promises to customers and to optimise earnings as well as shareholder value.

We expanded resources devoted to decarbonisation in our organisation, fulfilled our short-term emission reduction targets, and further developed our green transition pathway as part of the strategy update Moving Together Towards 2030 launched in December 2023.

We will unlock value from the expanded network through a shift in focus to primarily organic growth underpinned by our enhanced network capabilities

[Joint letter from Chair and CEO](#)

Strategic perception is shifting

Priorities have shifted in the last two years. Rising interest rates have in combination with elevated uncertainty about future growth levels increased focus on cash flow generation and financial strength.

Transport market priorities have also developed in response to various disruptions as well as the rising inflation and interest rates. Although 2023 provided more normalised conditions, supply chain resilience and security remain important purchase criteria. Large freight customers have growing preferences for partnering with fewer and larger transport and logistics providers. Simultaneously, price remains an important purchase criterion which underscores the need to pursue continuous operating efficiency improvements and optimising capacity utilisation.

Win23 strategy ambitions delivered

In the final year of the Win23 strategy, we continued our network expansion strategy and delivered EBITDA of DKK 5bn – the financial ambition set in 2019 for 2023. The ambition was achieved despite significant macro headwinds demonstrating the resilience of our combined ferry and logistics business model.

Our network now offers a scale and depth that has increased our relevance for large industrial customers and through the Win23 strategy period we have increased our presence in high-growth areas like Türkiye and latest North Africa. Our financials are solid with leverage within our set policy of a NIBD/EBITDA-multiple between 2.0-3.0x.

Moving Together Towards 2030 – strategy update

In 2023, we reviewed and adapted our strategy to our current position and to the significant external changes. In December, we launched our updated strategy – Moving Together Towards 2030 containing a roadmap for unlocking the value from our expanded network. 'Moving Together' reflects the importance we attach to collaborating and partnering. Not least when it comes to succeeding with the green energy transition.

We will unlock value from the expanded network through a shift in focus to primarily organic growth underpinned by our enhanced network capabilities, higher relevance for freight customers requiring bundled transport and logistics solutions, and our increased presence in high-growth markets.

The strategy is supported by five routes to unlock value: Protect & Grow Profits, Standardise to Simplify, Digitise to Transform, Moving to Green, and Be a Great Place to Work. These are detailed in the annual report.

The strategy update also includes our financial ambitions for the coming three years, 2024-2026. We will increase our focus on cash flow generation through an annual DKK 1.5bn adjusted free cash flow target. We aim to raise return on invested capital to around 10%, and to deleverage the capital structure to 2.5x by 2026.

Stable financial performance and cash flow growth

In 2023, EBITDA increased 1% to DKK 5.0bn. A successful recovery of passenger earnings and a positive impact from logistics acquisitions offset lower freight earnings that were reduced by challenging market conditions and the impact of the normalised oil price spread. Demand, and hence volumes, declined in most markets throughout the year due to the high inflation and the rise in interest rates. Moreover, freight ferry earnings were negatively impacted by an overcapacity situation on the Dover Strait and the war in Ukraine that lowered utilisation in our Baltic route network.

The return on invested capital (ROIC) was 7.6% at year-end compared to 8.7% in 2022. The decrease was driven by the lower level of freight earnings. The Adjusted free cash flow increased to DKK 2.8bn, including a cash inflow of DKK 1.5bn from the sale and leaseback of three freight ferries.

Financial leverage, NIBD/EBITDA, was at 2.9x. A total of DKK 581m was distributed to shareholders in 2023 consisting of a dividend of DKK 281m and a share buyback of DKK 300m.

We are committed to returning excess capital to shareholders as stated in our distribution policy and propose a total shareholder distribution of DKK 600m in 2024 comprising a dividend of DKK 169m and a share buyback of DKK 431m.

Moving forward in 2024

We approach the outlook for 2024 with caution for particularly two reasons: Geopolitical tensions remain elevated, and it is still uncertain whether Europe's transition to lower inflation levels will entail a hard or a soft landing for the economy. Our base case for 2024 is therefore a relatively flat market environment for both freight and passengers.

Regardless of the adverse macro environment, we will focus on delivering reliable and efficient services and solutions to our customers, monitoring and adapting to market changes, and particularly on unlocking the value of our expanded network and capabilities as we start to execute on our new strategic and financial ambitions.

Thank you very much to all our colleagues in DFDS. Challenges have been overcome and adaptations have been numerous. Your dedication and contributions delivered the progress we achieved in 2023.

We would also like to extend our gratitude to all our customers, partners, and stakeholders for continued collaboration. Together with you, and with the support of our shareholders, we are excited to embark on a new strategy period of which 2024 will be the first year. Firm targets are set for 2026 as well as a clear pathway towards 2030.

Ferry Division

→ Passenger earnings lifted by continued travel recovery

The operating performance in 2023 of the route network, including port terminals, continued to deliver on reliability, frequency, and capacity that are crucial for our freight customers: forwarders, hauliers, and industrials.

→ Freight earnings lowered by economic slowdown

The two largest freight ferry business areas, North Sea and Mediterranean, delivered results on level with 2022 despite challenging market conditions as freight volumes were overall decreased in 2023 by the economic slowdown in Europe. Another highlight of 2023 was a record result for the passenger activities achieved on the back of a continued recovery in travel markets.

→ Competition increased by overcapacity on the Dover Strait and the Baltic Sea

Market conditions in the Baltic Sea continued to be negatively impacted by the war in Ukraine and the overcapacity situation on the Dover Strait likewise continued. Results for both areas were lowered by the circumstances.

→ Negative earnings impact from decline in oil price spreads from spike in 2022

Ferry emission intensity was further reduced by 5.4% in 2023 driven by 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. The first commercial products were launched allowing customers to purchase a certified Scope 3 CO₂e reductions.

→ Emission intensity reduced 5% as short-term actions take effect

Financial performance

The Ferry Division's revenue decreased 2.0% to DKK 16,493m but increased 6.1% adjusted for bunker surcharges compared to 2022. The adjusted increase was driven by higher passenger revenue that increased 16.3% to DKK 3,810m as passenger travel recovered from Covid-19.

16.5bn

Revenue
decreased 2% to DKK

3.9bn

EBITDA
decreased 2% to DKK

6,546

Ferry people
(FTE)

Head of division
Mathieu Girardin

Business areas
North Sea / Mediterranean / Channel / Baltic Sea /
Passenger / Strait of Gibraltar*

*Part of DFDS from January 2024

Freight ferry revenue, adjusted, was up 2.8% despite a volume decline of 7.9% as higher rates, in some market areas, and growth in ancillary revenue offset the negative impact of the volume decrease.

EBITDA decreased 1.9% to DKK 3,907m. The passenger EBITDA increased 36.7% or DKK 331m to DKK 1,232m driven by the increase in the number of passengers, higher revenue per passenger, bunker cost savings, and a one-off positive impact from reversal of a provision related to Covid-19.

The freight ferry EBITDA decreased 13.3% or DKK 409m to DKK 2,675m driven by lower results for the Baltic Sea and Channel networks while the North Sea and Mediterranean achieved results on level with 2022. A reduction in oil price spreads in 2023 compared to the spike in spreads in 2022 lowered the return on scrubber installations.

In connection with the sale and leaseback of three freight ferries, a one-off gain of DKK 95m was reported. EBIT decreased 2.9% to DKK 2,094m.

The return on invested capital, ROIC, decreased slightly to 9.5% in 2023 from 9.8% in 2022 due to the lower freight result.

Invested capital – ferry fleet and port terminals

The invested capital was DKK 21.3bn at year-end 2023, of which ferries amounted to DKK 14.0bn and port terminals to DKK 3.0bn. Intangible assets accounted for DKK 4.4bn of which DKK 3.8bn was related to the Mediterranean business unit.

At the end of 2023, the ferry route network deployed 66 ferries, including two side-port and container ships, of which 76%, or 50 ferries, were owned and 16 were chartered in for varying periods. Two ferries were not assigned to a route at the end of the year but were assigned to the Strait of Gibraltar in the beginning of 2024.

There are currently no plans to order or purchase ferries in the period 2024-2026 as the current capacity is assessed to be sufficient to meet forecast customer requirements. In addition, green ferry engine and fuel technologies as well as port infrastructures are still maturing. The announced green ferry new-building program is therefore planned to start in 2026 with delivery of six ferries in the period 2027-2030.

Port terminals are owned and/or operated in eight strategic locations.

Decarbonisation activities and results

The key environmental challenge is to decarbonise ferry operations by continually increasing efficiency and later replacing fossil fuels with sustainable fuels. DFDS' Climate Action Plan includes short-term actions to reduce emissions from the existing fleet and transformative long-term actions to decarbonise.

In 2023, we completed a detailed analysis across the network leading to the launch of the Every Minute Counts, program - a combination of speed reduction and schedule optimisation. This increased focus on efficiency, plus technical optimisations, resulted in the tank-to-wake CO₂ emissions intensity across the ferry network falling by 5% overall from 13.0 gCO₂/GT per nautical mile in 2022 to 12.3 gCO₂/GT per nautical mile in 2023. This includes chartered ferries.

Own fleet emissions intensity decreased 3% from 12.5 gCO₂/GT per nautical mile in 2022 to 12.1 gCO₂/GT per nautical mile, while chartered fleet emissions intensity decreased 12.7% from 17.1 gCO₂/GT per nautical mile to 15.0gCO₂/GT per nautical mile.

Shore power installations are now completed on six ferries, and shore power is operational at three ports. In 2023 the use of shorepower generated a saving of close to 2,900 tonnes of CO₂.

The pace of shore power installations is being ramped up and 4-5 new installations per year are expected for the next 5 years.

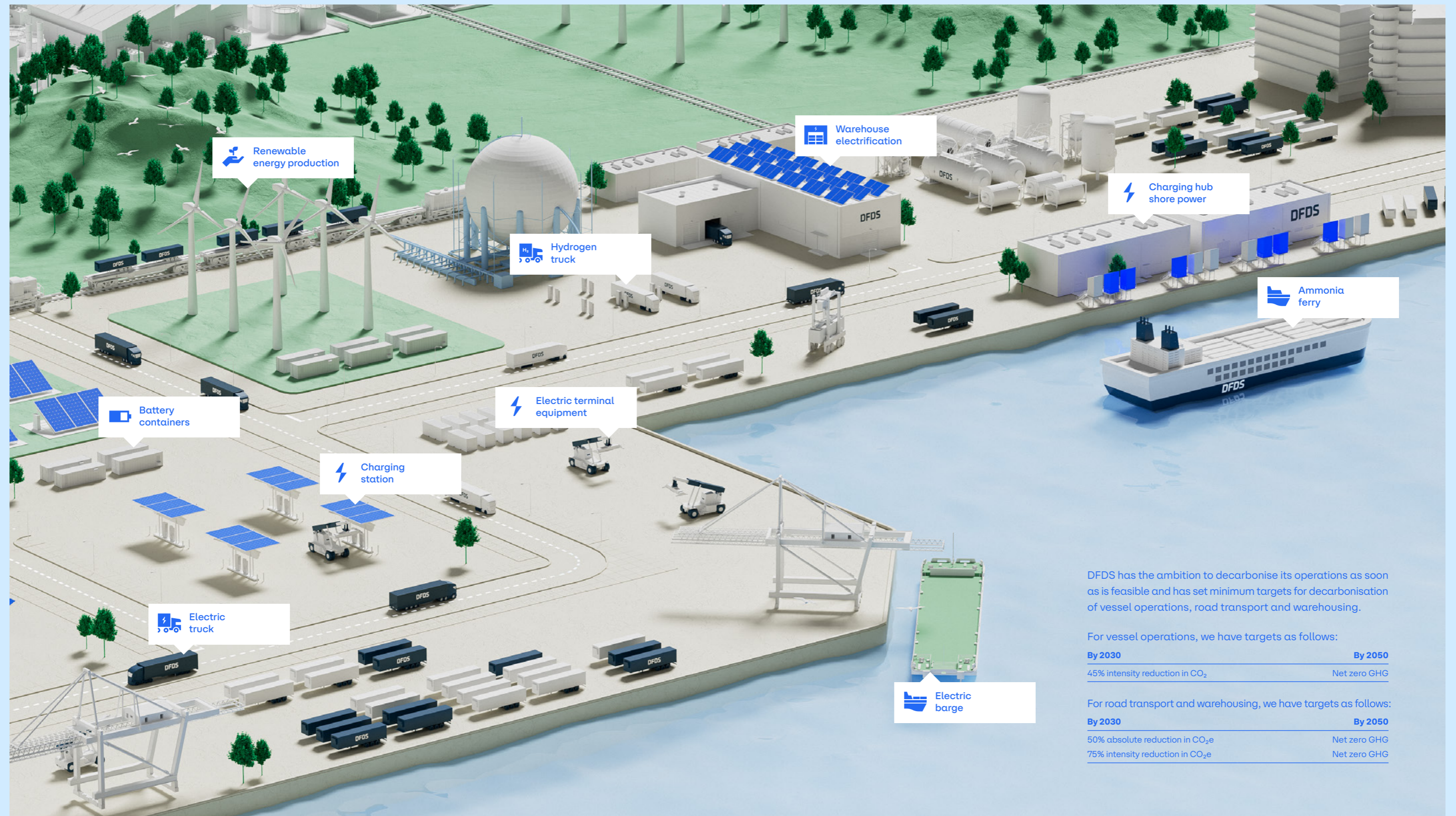
Based on a positive outcome of biofuel trials on Acacia Seaways in 2022, sourcing of ISCC and RED II compliant biofuel on a spot basis continued in 2023. In 2023, 242 tonnes of 100% biofuel and 1,922 tonnes of 30% biofuel were consumed, avoiding 2,448 tonnes CO₂ emissions. Customers have responded favourably to the opportunity to reduce their emissions at sea via our independently reviewed mass balance products launched as 'Decarbonised Solutions' in June 2023.

In 2023, an ambitious target to reduce emissions from land-based activity by 75% by 2030 was announced. This includes activity at port terminals, where emissions continue to be reduced by electrification, energy efficiency improvements, and increasing use of HVO (Hydrogenated Vegetable Oil) by terminal equipment such as tug-masters and reach-stackers.

Ferry Division

DKK m	2023 Full-year	2022 Full-year
Revenue	16,493	16,831
Freight	12,683	13,555
Passenger	3,810	3,276
Operating costs	-9,017	-9,541
Ferry operations	-2,046	-1,886
Bunker	-3,120	-4,030
Port terminal operations	-3,153	-2,991
Transport and warehouse solutions	-698	-634
Employee costs	-2,603	-2,363
Sales, general and administration	-965	-943
EBITDA	3,907	3,984
Freight	2,675	3,083
Passenger	1,232	901
Other income/costs, net	65	-12
Depreciation and impairment	-1,841	-1,778
EBITA	2,131	2,194
Amortisation	-38	-38
EBIT	2,094	2,156
Invested capital, end of period	21,263	21,716
EBITDA-margin, %	23.7	23.7
EBITA-margin, %	12.9	13.0
EBIT-margin, %	12.7	12.8
Gross Capex (excl. acquisitions and leases)	1,132	2,031
ROIC before acquisition intangibles, % LTM	12.1	12.6
ROIC, %, LTM	9.5	9.8
Average number of employees	6,546	6,138
Number of ships	66	64
Lane metres, '000	38,443	41,748
North Sea*	13,843	14,212
Mediterranean	5,407	5,568
Channel	15,950	18,164
Baltic Sea	3,243	3,804
Capacity utilisation freight, %	57	61
Number of cars, '000	1,154	1,124
Passengers, '000	4,502	3,772
Scope 1+2 emissions, 1,000 tonnes CO ₂ e	2,369	2,556
CO ₂ intensity (kg CO ₂ /MDKK)	143.6	151.9
Representation of women - Land; %	30	30
Representation of women - Sea, %	19	19
Lost-time injury frequency (LTIF) - Sea, Incidents/mill. Hours	3.8	4.5
Lost-time injury frequency (LTIF) - Land, Incidents/mill. Hours	11.3	11.1

Moving to electrification of terminals & warehousing



DFDS has the ambition to decarbonise its operations as soon as is feasible and has set minimum targets for decarbonisation of vessel operations, road transport and warehousing.

For vessel operations, we have targets as follows:

By 2030	By 2050
45% intensity reduction in CO ₂	Net zero GHG

For road transport and warehousing, we have targets as follows:

By 2030	By 2050
50% absolute reduction in CO ₂ e	Net zero GHG
75% intensity reduction in CO ₂ e	Net zero GHG

Logistics Division

→ **Road transport faced headwind from challenging market conditions in H2**

Our European network and market position as a reliable and efficient partner was strengthened during the year with total revenue now exceeding DKK 12bn.

→ **Demand remained firm for warehousing and solutions**

Market conditions turned increasingly challenging in the second half-year as the economic slowdown in Europe became more entrenched. Competition increased in transport markets as overcapacity developed in haulage markets. Our focus on contract volumes, as opposed to spot volumes, offered some margin protection. Domestic markets remained more robust than international trade volumes that declined in the year, especially across the Baltic Sea as well as to and from the UK.

→ **Network expanded and strengthened through acquisitions**

The demand for warehousing and other contract logistics solutions remained firm as customers are committed to safeguarding the reliability of their supply chains.

→ **90 e-trucks in operation at year-end**

The relevance of the logistics network for customers was enhanced by one strategic and four bolt-on acquisitions in 2023 that expanded both product scope and geographic coverage.

Decarbonisation was underpinned by the deployment of 90 e-trucks by the end of 2023 and planning for the ordering of more e-trucks in 2024 is ongoing. Installation of solar panels on warehouses and other buildings to produce own energy continued and the first commercial products were launched allowing customers to purchase a certified Scope 3 CO₂e reductions.

12.1bn

Revenue
increased 6% to DKK

1.3bn

EBITDA
increased 20% to DKK

5,696

Logistics people
(FTE)

Head of division
Niklas Andersson

Business areas
Dry Goods / Cold Chain

Financial performance

The Logistics Division's revenue increased 5.9% to DKK 12,096m and decreased 7.5% adjusted for acquisitions compared to 2022. The adjusted revenue decrease was driven by lower road transport volumes primarily to and from the UK as well as lower volumes related to especially construction materials and meat. Energy-related surcharges also declined in 2023. Domestic volumes, also in the UK, were generally more stable.

Revenue was moreover decreased compared to 2022 by closure of the Norwegian overseas cold chain activity during 2022 and the Bruges office during 2023.

The above decreases were offset by growth in warehousing revenue driven by full-year impacts from warehouses opened during 2022 and capacity additions made in 2023. Revenue was also added by new customer contracts as well as expansion of existing contracts.

EBITDA increased 19.5% or DKK 207m to DKK 1,273m driven by a positive impact from acquisitions. EBITDA decreased 4.6% or DKK 48m adjusted for acquisitions which was due to a lower result for the continental cold chain activities following one-off and restructuring costs, including closure of the Bruges office. In addition, trading between the Continent and the UK decreased in 2023.

For all other activities, EBITDA was above 2022 driven by higher results for contract logistics, including new warehouses, and a considerable result improvement for the activities in Belgium, including rebalancing of large transport flows. This was offset by lower results for most road transport activities due to lower volumes and margin pressure in the market.

EBIT of DKK 474m was on level with 2022 and 22.1% or DKK 103m lower adjusted for acquisitions. The adjusted decrease was driven by the same dynamics as the EBITDA decrease.

The return on invested capital, ROIC, decreased to 5.9% in 2023 from 8.2% in 2022. Return levels for the Dry Goods and the UK Cold Chain activities were above the minimum return requirement of 8%. This includes the acquisition of the McBurney Transport Group. The return level for the Nordic and Continent Cold Chain activities was not satisfactory and an improvement plan has been initiated.

Invested capital

The invested capital increased 38.0% to DKK 6.9bn at year-end 2023. The increase was due to mainly acquisitions as well as expansion of warehousing capacity. Intangible assets accounted for DKK 2.4bn of the invested capital, including goodwill of DKK 1.6bn.

Decarbonisation strategy and actions

With acquisitions made in 2023, the DFDS fleet now counts over 1,600 trucks of which 97% have Euro 6 emission standard or above. During 2023, our preliminary decarbonisation target of a 75% reduction in CO₂e intensity from a 2022-base was confirmed and extended to all land-based activities, including road transport, warehousing, and port terminals.

The pace of transition increased in 2023 with the deployment of the majority of our initial order of 125 electric trucks (e-trucks). By the end of the year, 90 e-trucks were operational in Sweden, Denmark, Lithuania, Belgium, and the Netherlands, with the remaining 35 due to be delivered during Q1 2024. In Denmark, we also deployed 55 electric reefer trailers, giving a near zero-emission transport capability for frozen and refrigerated cargo.

To reach our goal to have at least 25% of the truck fleet electrified by 2030, and as various truck manufacturers brought new battery electric vehicle solutions to market, we issued a new tender request for the next batch of e-trucks.

Work continues on the feasibility of a hydrogen trucking trial in the 2025 timeframe, with a first trial planned for either Germany and/or the Netherlands. The strategy of reducing CO₂ emissions through the use of HVO in existing trucks is progressing although at a slower pace than foreseen due to availability. Towards the end of the year we joined the European Clean Trucking Alliance (ECTA) to accelerate both learning and progress towards a zero emission future on road.


During the year, 91 new diesel trucks were purchased, specified and supplied with a Euro 6.2 exhaust emission rating which is the latest emission standard restricting a number of pollutants. This compares to 324 new diesel trucks sourced during 2022, which makes 2023 the first year where more zero emission trucks were purchased than diesel trucks.

During the year, two commercial products were launched allowing customers for the first time to purchase a certified Scope 3 CO₂e reduction, either achieved on land by e-trucks, or on sea by the use of biofuel. At the same time, a customer-oriented CO₂ emissions dashboard was launched, which reports the CO₂e we have emitted for a given customer, both on road and sea. Both initiatives have prompted positive customer feedback on the transparency and speed in providing insights into their Scope 3 emissions.


Logistics Division


	2023	2022
DKK m	Full-year	Full-year
Revenue	12,096	11,423
Dry Goods	6,231	6,158
Cold Chain	5,831	5,240
Operating costs		
Transport and warehousing costs	-7,636	-7,904
Gross profit	4,460	3,520
Sales, general and administration	-706	-499
Employee costs	-2,481	-1,955
EBITDA	1,273	1,066
Other income/costs, net	20	12
Depreciation and impairment	-733	-551
EBITA	560	526
Amortisation	-86	-52
EBIT	474	474
Gross profit margin, %	36.9	30.8
EBITDA-margin, %	10.5	9.3
EBITA-margin, %	4.6	4.6
EBIT-margin, %	3.9	4.1
Invested capital, end of period	6,877	4,984
Gross Capex (excl. acquisitions and leases)	438	698
ROIC before acquisitions intangibles, % LTM	11.4	14.9
ROIC, % LTM	5.9	8.2
Average number of employees	5,696	4,544
Scope 1+2 emissions, 1,000 tonnes CO ₂ e	208.8	132.6
CO ₂ intensity (kg CO ₂ /MDKK)	16.2	11.6
Representation of women - Land; %	15	17
Lost-time injury frequency (LTIF) - Land, Incidents/mill. Hours	8.0	7.5

Our greenhouse gas reduction strategy

 **75% reduction** in CO₂e intensity from road transport, terminals & warehousing¹

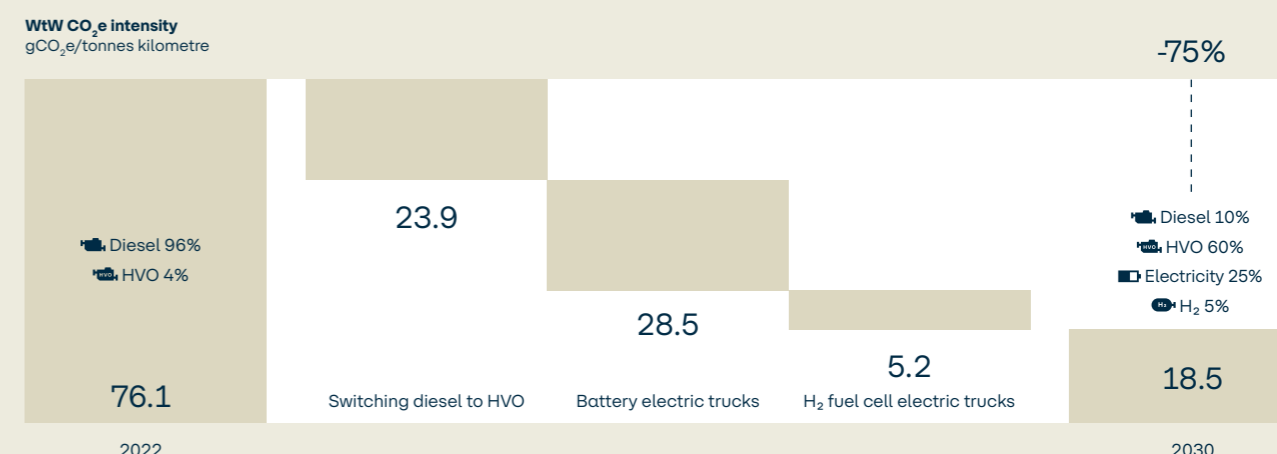
2030 targets →

 **45% reduction** in CO₂ intensity from ferries²

 **2050 = Net zero**

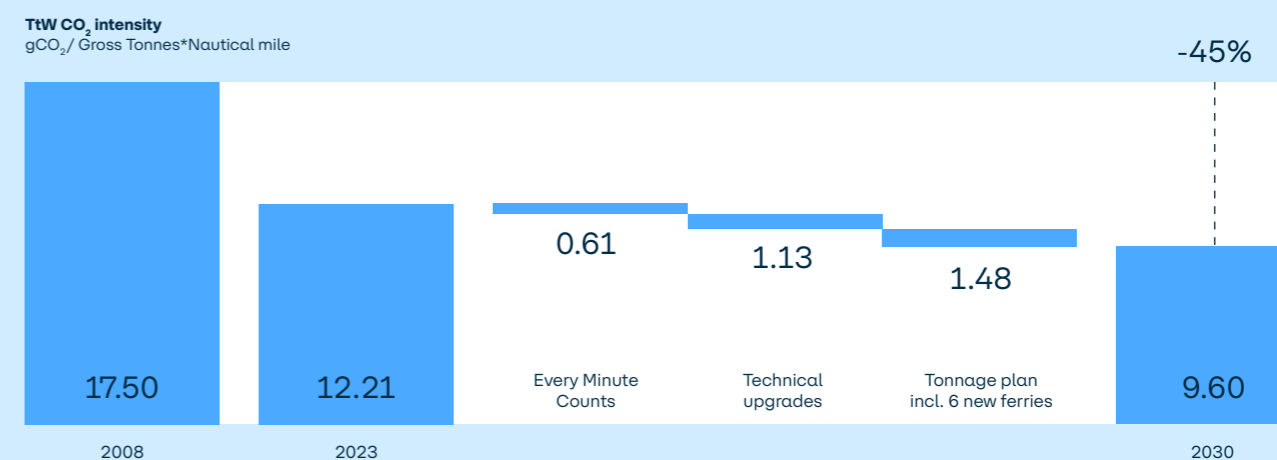
¹ Scopes 1 & 2, WtW CO₂e reduction from 2022 baseline. Percentage intensity depends on growth rate
² Scope 1, TtW CO₂ reduction from 2008 baseline

2030 pathway for road transport



Indicative breakdown of engine types and fuels. Actual percentages will vary depending on availability of fuels, technologies and subsidies in different markets.

2030 pathway for vessels



The liquid fuel green vessels all run on 30% MDO/MGO as pilot fuel. The electric RoPax are calculated as 100% electric. Not including newly acquired FRS vessels



Moving Together Towards 2030
→ Protect & Grow Profits

Scaling our partnership with Danish Crown Leveraging DFDS' expanded network and range of logistics solutions

Since 2019, DFDS has substantially expanded the logistics and transport network across and beyond the European continent. With the expanded network we can offer our clients multiple services from warehousing, cold storage, logistics and customs handling thereby catering to more complex needs. With this wider range of logistics solutions, we have been able to significantly scale our engagement with numerous customers. One of them is Danish Crown – one of the world's largest exporters of pork.

DFDS's partnership with Danish Crown has grown significantly from managing Danish Crowns transport from Esbjerg to Immingham to entering a multi-year strategic agreement in 2023 for full range of transport and logistics offerings including role out of electric trucks. The agreement covers more than 10 markets.

Adjusting to our customers' needs by offering new products and services is the foundation for DFDS' ability to stay relevant for more customers. And as a result, we have managed to grow the number of enterprise accounts - meaning industry accounts with a yearly turnover of or above EUR 10 m - from just 7 in 2019 to 23 in 2023.

Looking forward, we will continue to drive organic growth by continuously evolving with our existing customers and attracting new customers with our broader geographic and product reach.

➤ Explore on www.dfds.com

How DFDS assists Danish Crown



Flexibility of shipping goods through full and part loads solutions



Access to DFDS extended ferry network



Deployment of six electric trucks into Danish Crowns transportation fleet

The DFDS share and shareholders

→ Distribution to shareholders of DKK 581m

→ Distribution yield of 5%

→ 13% share price decrease in 2023

Share capital

DFDS has one class of shares. The share capital at the end of 2023 was DKK 1,173m comprising 58,631,578 shares, each with a nominal value of DKK 20. There were no changes to the share capital during 2023.

Stock exchange trading

The DFDS share is listed on Nasdaq Copenhagen where 17.0m DFDS shares were traded in 2023 equal to an annual turnover of DKK 4.1bn compared to DKK 5.0bn in 2022. The average number of trades per day was 652 compared to 864 in 2022 and the average daily turnover was DKK 16.4m compared to DKK 19.9m in 2022. The DFDS share is part of Nasdaq's Large Cap index.

Share price development and yield

DFDS' share price was DKK 223 at year-end 2023, a decrease of 13.0% compared to year-end 2022. By comparison, the Danish stock market's industrials index increased 4.9% in 2023. The market value at the end of 2023 was DKK 12.6bn, excluding treasury shares.

The total distribution yield of the DFDS share was 4.6% in 2023 following dividend payments and a share buyback totalling DKK 581m.

Distribution policy

The starting point for determining the level of capital distribution to shareholders is the current and expected future financial leverage measured as the ratio between NIBD and EBITDA. While the overall target leverage is a ratio between 2.0x and 3.0x, a short-term target of 2.5x for year-end 2026 was announced in December 2023.

NIBD/EBITDA was 2.9x at year-end 2023 compared to 2022. For shorter periods, leverage can move outside the range due to special events, e.g. strategic acquisitions.

Capital is distributed through dividend and share buybacks. Whether capital is in excess is assessed based on the leverage target as well as future earnings prospects and investment requirements. Contingent on the size of the dividend, it may be preferred to pay dividend semi-annually to facilitate a faster return of capital to shareholders and to align payments with DFDS' seasonal cash flow that normally peaks during the third quarter, the high season for passenger travel.

Distribution to shareholders in 2023

A share buyback of DKK 300m structured as an auction process was completed 22 February 2023 with the purchase of 1,071,428 shares at a price of DKK 280 per share. In addition, a dividend of DKK 281m equal to DKK 5.00 per share was paid in March 2023.

Capital distribution proposed for 2024

The Board of Directors proposes to distribute a total of DKK 600m to shareholders in 2024 through a combination of a dividend and a share buyback.

An ordinary dividend of DKK 3.00 per share equal to DKK 169m will be proposed for approval by the annual general meeting (AGM) in March 2024.

The remaining DKK 431m will be distributed through a share buyback under the Safe Harbour rules starting on 12 February 2024 and expiring on 31 December 2024. The share buyback corresponds to around 3% of the market value of DFDS' share capital at the current share price.

Lauritzen Fonden Holding has committed to participate pro rata in the share buyback program with a share of 41.6%.

Shareholders

At the end of 2023, DFDS had 23,447 registered shareholders that owned 95% of the share capital. Lauritzen Fonden Holding was the largest shareholder with a holding of 41.6% of the total share capital at the end of 2023.

Analysts covering the DFDS share

Carnegie
Dan Togo Jensen
T +45 3288 0245
dan.togo@carnegie.dk

Danske Bank Markets
Michael Vitfell-Rasmussen
T +45 4512 8036
vitf@danskebank.dk

Nordea
Lars Heindorff
T +45 5376 6054
lars.heindorff@nordea.com

RBC Capital Markets
Ruairi Cullinane
T +44 207 002 2275
ruairi.cullinane@rbccm.com

SEB Equities
Ulrik Bak
T +45 3125 6033
ulrik.bak@seb.dk

Share related key figures

	2023	2022	2021	2020	2019
Share price, DKK					
Price at year-end	223	256	349	275	325
Price, high	291	356	400	325	332
Price, low	195	194	262	134	215
Market value year-end, DKK m	12,557	14,703	20,038	15,772	18,593
No. of shares year-end, m	58.6	58.6	58.6	58.6	58.6
No. of circulating shares year-end, m	56.3	57.3	57.4	57.3	57.2
Distribution to shareholders, DKK m					
Dividend paid per share, DKK	5.00	8.00	0	0	4.00
Total dividend paid ex. treasury shares	281	461	0	0	229
Buyback of shares	300	0	0	0	0
Total distribution to shareholders	581	461	0	0	229
FCFE yield, %	13.4	5.6	5.2	2.6	-0.8
Total distribution yield, %	4.6	3.1	0	0	1.2
Cash payout ratio, %	34.2	55.9	0	0	-152.7
Shareholder return					
Share price change, %	-13.0	-26.5	26.8	-15.3	21.7
Dividend return, %	2.0	2.3	0	0	1.5
Total shareholder return, %	-11.1	-24.2	26.8	-15.3	23.2
Share valuation					
Equity per share, DKK	245	227	199	183	180
Price/book value, times	0.9	1.1	1.8	1.5	1.8

Ownership structure, year-end 2023, %

Lauritzen Fonden Holding ¹	41.6
Institutional shareholders	40.6
Other registered shareholders	8.7
Treasury shares	4.1
Non-registered shareholders	5.0
Total	100.0

Shareholder distribution, year-end 2023

No. of shares	No. of shareholders	% of share capital
1-50	9,867	0.4
51-500	10,832	3.4
501-5,000	2,418	5.3
5,001-50,000	250	6.7
50,001-	80	79.0
Total²	23,447	94.9

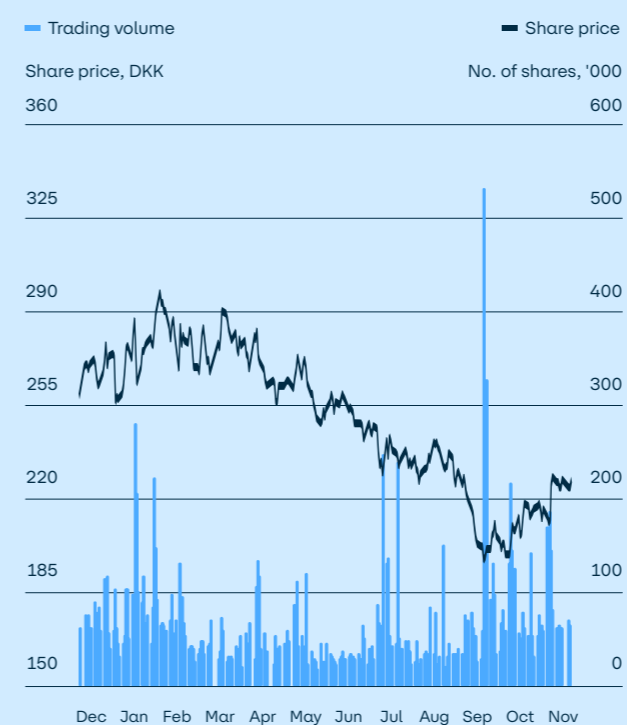
1 With reference to §38 in the Danish Capital Markets Act, Lauritzen Foundation domiciled in Copenhagen, Denmark, has notified DFDS A/S that it holds more than 33% of the share capital and voting rights of the company.

2 Total of registered shareholders.

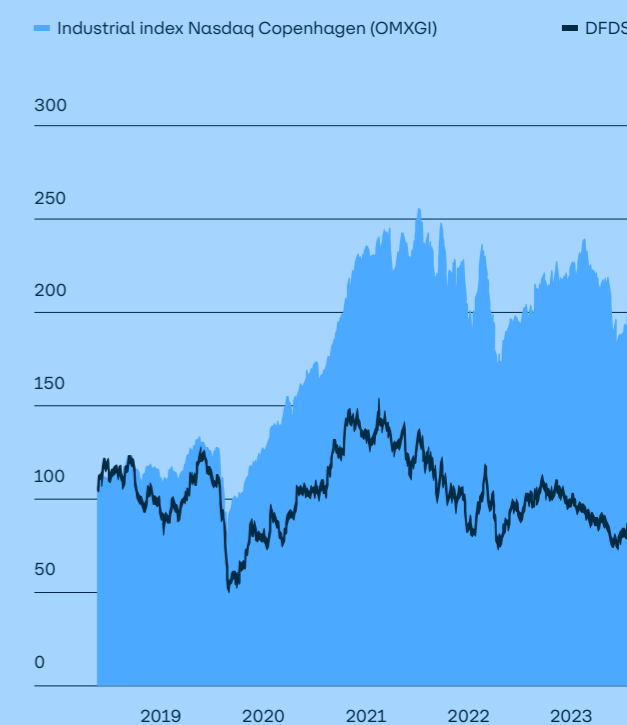
→ Søren Brøndholt Nielsen, VP, IR & Corporate Brand
T +45 3342 3359
udsbn@dfds.com

→ Shareholder's secretariat
shareholder@dfds.com

DFDS share price and trading volume, 2023



Share price performance relative to Copenhagen industrials index 2019-2023



New group-wide system streamlines finance processes

In recent years, DFDS has made several acquisitions. Each company acquired has had its own separate finance systems and processes, underlining the need to standardise to simplify.

To meet this need, DFDS is implementing a new enterprise resource planning (ERP) system, Microsoft Dynamics 365, across all business units. The system ensures consistency, accuracy, and efficiency in the finance processes while achieving transparency and data comparability across DFDS. Since the first go-live in Q4 2021 the system has been implemented in 26 entities in 11 countries. Among other things, the system uses an advanced AI solution which enables better data insight and transparency in the invoice handling process, leading to a reduced need for manual handling and processing.

Unifying and standardizing finance processes into one central system is one of several standardisation initiatives underway in DFDS to simplify our business.

➤ Explore on www.dfds.com

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The system has been implemented in 26 entities in 11 geographical markets

60%

Over 60% of all incoming invoices are processed through AI automation with no human intervention

Financial review

→ **Stable operating results despite economic slowdown in Europe**

→ **Freight earnings reduced by lower volumes**

→ **Passenger earnings improved by volume recovery and higher spending**

→ **ROIC decreased by lower freight earnings**

→ **Adjusted free cash flow of DKK 2.8bn**

→ **Financial leverage of 2.9x maintained in target range**

Revenue

Revenue increased 1.6% to DKK 27,304m compared to 2022 which was slightly above the revenue outlook for 2023, announced 9 February 2023, to remain on level with 2022. The revenue increase was driven by higher passenger revenue and a positive impact from acquisitions as freight revenue was lowered by declining volumes and a considerable decrease in revenue from bunker surcharges and other energy related surcharges compared to 2022.

EBITDA

The operating profit (EBITDA) increased 1.2% to DKK 5,034m in 2023 compared to 2022 as higher passenger earnings and a positive impact from logistics acquisitions were partly offset by lower freight earnings. The latter was reduced by a decline in volumes, including impacts from overcapacity situations on the Dover Strait and the Baltic Sea, as well as a negative impact from lower oil price spreads compared to 2022.

Development vs outlook

The outlook for EBITDA developed as follows during 2023:

- 9 February: Outlook range of DKK 4.5-5.0bn announced
- 14 August: Outlook range raised to DKK 4.8-5.2bn following better than expected first half-year financial performance
- 15 November: Outlook firmed up to DKK 4.9-5.2bn by mainly higher than expected passenger earnings.

EBITDA for divisions

On a divisional level, the Ferry Division's EBITDA of DKK 3,907m was 1.9% below 2022 as higher passenger earnings were offset by lower freight earnings. The Logistics Division's EBITDA increased 19.5% to DKK 1,273m driven by the strategic acquisition of McBurney Transport Group and several bolt-on acquisitions.

Adjusted free cash flow

The adjusted free cash flow (FCFE) in 2023 was DKK 2,773m which included DKK 115m of net investments comprising operating investments of DKK 1,581m and a net cash inflow of DKK 1,466m from the sale and leaseback of three freight ferries.

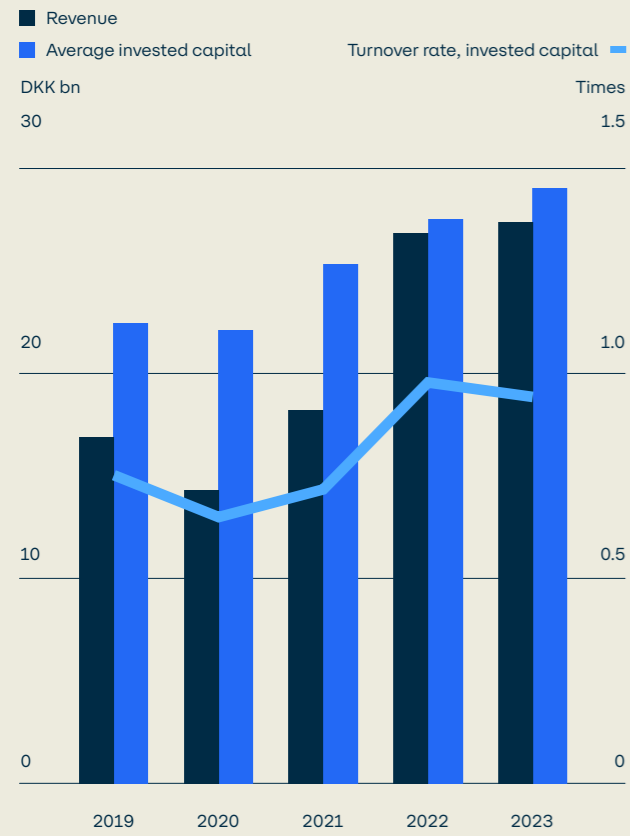
Financial leverage

Financial leverage, measured by the ratio of net interest-bearing debt (NIBD) to operating profit (EBITDA), was increased slightly to 2.9 from 2.8 in 2022. The equity ratio was 40% at year-end 2023 up from 39% in 2022.

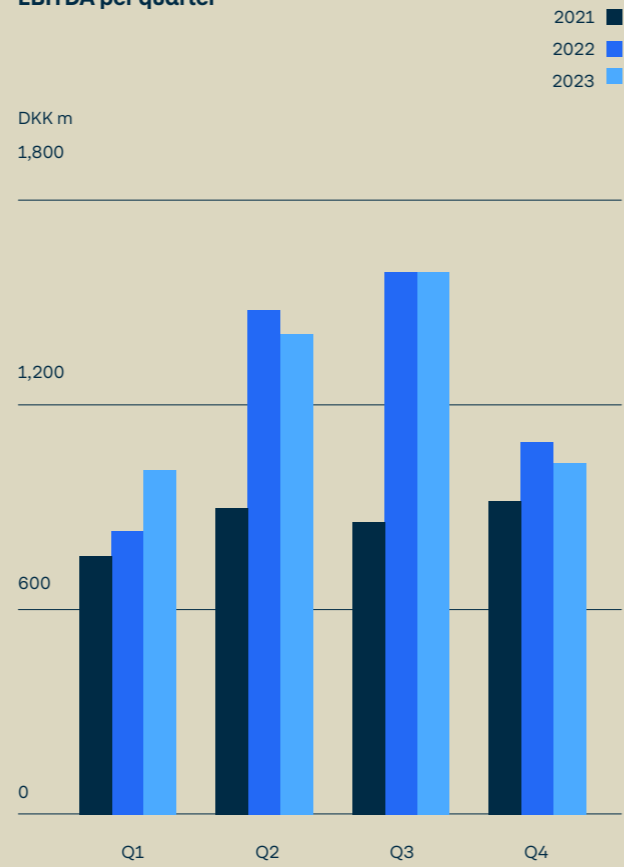
Employees

The average number of full-time employees (FTE) increased 14.6% to 13,191 in 2023 mainly due to acquisitions. The total headcount was 13,546 at the end of 2023.

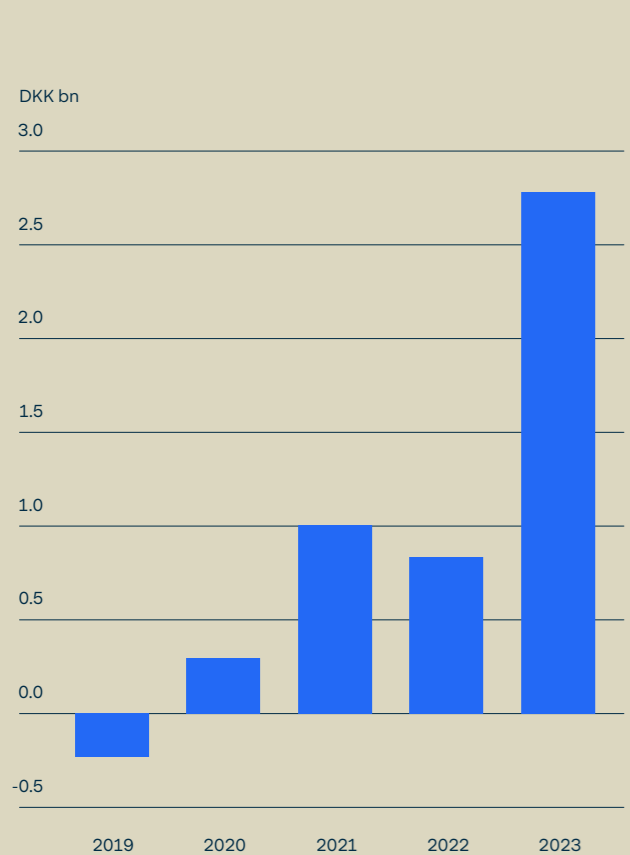
Revenue and invested capital



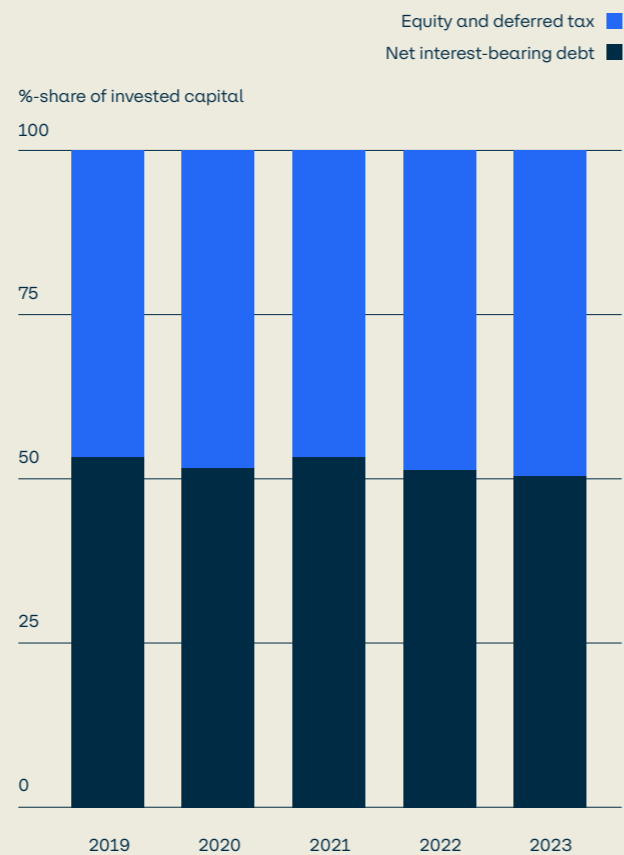
EBITDA per quarter



Adjusted free cash flow, FCFE



Capital structure



Key figures

DKK m	2023 ¹ EUR m	2023	2022 ²	2021 ²	2020 ²	2019 ²
Income statement						
Revenue ⁴	3,665	27,304	26,873	18,279	14,310	16,798
- Ferry Division ^{3 4}	2,214	16,493	16,831	12,216	9,784	12,403
- Logistics Division ³	1,623	12,096	11,423	7,155	5,301	5,116
- Non-allocated items and eliminations ³	-172	-1,285	-1,382	-1,092	-776	-722
Operating profit before depreciation and amortisation (EBITDA)	676	5,034	4,974	3,322	2,633	3,509
- Ferry Division ³	524	3,907	3,984	2,790	2,236	3,215
- Logistics Division ³	171	1,273	1,066	564	450	415
- Non-allocated items	-20	-146	-76	-32	-53	-121
Operating profit before amortisation (EBITA)	336	2,504	2,603	1,446	835	1,736
Operating profit (EBIT)	312	2,326	2,468	1,348	741	1,650
Financial items, net	-90	-673	-329	-278	-275	-278
Profit for the year	202	1,505	2,019	976	442	1,313
Capital						
Total assets	4,679	34,873	34,084	30,721	27,006	26,863
Equity	1,867	13,918	13,135	11,554	10,600	10,356
Net-interest-bearing debt	1,971	14,689	14,109	13,481	11,361	11,954
Invested capital, end of period	3,891	28,996	27,554	25,369	22,121	22,476
Cash flows						
Cash flows from operating activities	511	3,811	4,480	3,208	2,499	3,016
Cash flows from investing activities	-154	-1,149	-2,989	-3,210	-1,618	-2,670
Free cash flow	357	2,662	1,491	-1	882	346
Adjusted free cash flow	111	2,773	825	1,000	294	-228

- 1 Applied exchange rate for Euro as of 31 December 2023: 7.4510 (Average) and 7.4529 (End).
- 2 As from 2023 special items are not presented separately in the income statement and accordingly, the comparative figures for 2019-2022 have been restated.
- 3 North Sea port logistics activities have been transferred from the Ferry Division to the Logistics Division per 1 January 2021. 2020 comparative figures have been restated accordingly, whereas 2019 comparative numbers are not restated.
- 4 Accounting of rail activities in Türkiye have changed in 2022 due to shift in the agent principal relationship for the customers. The comparative figures have been restated accordingly.

	Unit	2023	2022 ²	2021 ²	2020 ²	2019 ²
Key operating and return ratios						
Average number of employees	FTE	13,191	11,510	8,874	8,213	8,367
Revenue growth	%	1.6	47.0	27.7	-14.8	6.6
EBITDA margin	%	18.4	18.5	18.2	18.4	20.9
EBIT margin	%	8.5	9.2	7.4	5.2	9.8
Return on invested capital (ROIC)	%	7.6	8.7	6.0	3.3	7.4
ROIC before acquisition intangibles (ROIC BAI)	%	10.4	11.7	8.0	4.5	9.7
Return on equity	%	11.1	16.4	8.7	4.2	13.5
Key capital and per share ratios						
Financial leverage	times	2.9	2.8	3.8	4.3	3.4
Equity ratio	%	39.9	38.5	37.6	39.3	38.6
Earnings per share (EPS)	DKK	26.64	35.09	16.69	7.56	22.88
Dividend paid per share	DKK	5.00	8.00	0	0	4.00
Number of shares, end of period	'000	58,632	58,632	58,632	58,632	58,632
Share price	DKK	223	256	349	275	325
ESG key figures						
Scope 1 emissions (CO ₂ e)	1,000 tonnes	2,556	2,697	2,544	2,014	2,253
Scope 2 emissions - location based (CO ₂ e)	1,000 tonnes	12.1	7.9	6.9	6.0	7.3
Direct CO ₂ e emissions (Scope 1+2)	1,000 tonnes	2,568	2,705	2,551	2,020	2,260
CO ₂ e intensity	kgCO ₂ e/MDKK	94.4	100.7	139.5	141.2	134.6
Emissions per GT mile - Own fleet (CO ₂)	gCO ₂	12.1	12.5	12.8	13.4	13.9
Lost-time injury frequency (LTIF) - Sea	Incidents/mio. hrs.	3.8	4.5	4.3	4.1	4.5
Lost-time injury frequency (LTIF) - Land	Incidents/mio. hrs.	8.1	7.9	7.4	5.9	6.7
Women ratio - Total workforce	%	23	24	24	23	25
Women ratio - Board of Directors	%	33	33	33	33	33

Board of Directors



Claus V. Hemmingsen (1962)
Chair / 5,000 shares

Position: Owner and Managing Director, CVH Consulting ApS
Joined Board: 29 March 2012
Re-elected: 2013-2023
Period of office ends: AGM 2024
Chair of the Nomination and Remuneration Committees



Klaus Nyborg (1963)
Vice Chair / 825 shares

Position: Managing director, Return ApS
Joined Board: 31 March 2016
Re-elected: 2017-2023
Period of office ends: AGM 2024
Member of the Nomination and Remuneration Committees



Minna Aila (1966)
Board member / 170 shares

Position: Senior Advisor, Sustainability and Corporate Affairs, Neste. From 1.7.2024 onwards, Executive Vice President, Corporate Affairs & Brand, Konecranes.
Joined the board: 23 March 2022
Re-elected: 2023
Period of office ends: AGM 2024
Member of the Nomination and Remuneration Committees



Anders Götzsche (1967)
Board member / 3,500 shares

Position: Executive Vice President and CFO, VELUX A/S
Joined the board: 19 March 2018
Re-elected: 2018-2023
Period of office ends: AGM 2024
Chair of the Audit Committee



Marianne Henriksen (1961)
Board member (staff representative) / 80 shares

Joined the board: 23 March 2022
Re-elected: n.a.
Period of office ends: AGM 2026



Kristian Kristensen (1967)
Board member (staff representative) / 115 shares

Joined the board: 23 March 2022
Re-elected: n.a.
Period of office ends: AGM 2026



Jill Lauritzen Melby (1958)
Board member / 4,735 shares

Joined the board: 18 April 2001
Re-elected: 2002-2023
Period of office ends: AGM 2024
Member of the Audit Committee



Lars Skjold-Hansen (1965)
Board member (staff representative) / 1,030 shares

Joined the board: 22 March 2013
Re-elected: 2014-2022
Period of office ends: AGM 2026



Dirk Reich (1963)
Board member / 0 shares

Joined the board: 1 July 2019
Re-elected: 2020-2023
Period of office ends: AGM 2024
Member of the Audit Committee

Executive Board



Torben Carlsen (1965)
President & CEO / 139,676 shares

Appointed: 1 May 2019 (previously CFO of DFDS since 1 June 2009)



Karina Deacon (1969)
EVP & CFO / 4,526 shares

Appointed: 1 January 2020.
Karina Deacon resigned from her position in November 2023 but remains in her position until no later than June 2024.

Executive Management Team



Torben Carlsen (1965)
President & CEO
MSc (Finance)
Employed by DFDS since 2009



Karina Deacon (1969)
Executive Vice President & CFO
MSc (Aud)
Employed by DFDS since 2020
Karina Deacon resigned from her position in November 2023 but remains in her position until no later than June 2024.



Matthieu Girardin (1982)
Executive Vice President, Ferry Division
ESCP Europe (Master's in Management), INSEAD (Executive MBA)
Employed by DFDS since 2022



Niklas Andersson (1973)
Executive Vice President, Logistics Division
Marketing, IHM Business School
Employed by DFDS since 2012



Martin Gade Gregersen (1980)
Senior Vice President, Logistics Division
Freight forwarder
Employed by DFDS since 2021



Anne-Christine Ahrenkiel (1970)
Executive Vice President, Chief People Officer
MSc (Scient. pol.), Bachelor in French/Italian
Employed by DFDS since 2019



Rune Keldsen (1979)
Executive Vice President, Chief Technology Officer
MSc (IT)
Employed by DFDS since 2020

Financial calendar 2024

15 March

Annual general meeting (AGM)

8 May

Q1 report 2024

14 August

Q2 report 2024

7 November

Q3 report 2024