



DFDS EXPANDS TO STRAIT OF GIBRALTAR AS FRS IBERIA/MAROC ACQUISITION IS COMPLETED

- DFDS' network expanded to high-growth Strait of Gibraltar ferry market
- FRS Iberia/Maroc had revenue of DKK 1.0bn in 2023
- Growth-focused business and integration plan launched
- Transaction enterprise value equals an EV/EBITDA-multiple of 6x
- Transaction is expected to be accretive to ROIC and earnings per share

DFDS has today completed the acquisition of FRS Iberia/Maroc that has a leading position on the Strait of Gibraltar short-sea ferry market connecting Spain and Morocco.

The acquisition expands DFDS' network to a region where growth in the coming years is expected to be supported by nearshoring of supply chains closer to Europe.

"We are excited to start the integration of FRS Iberia/Maroc and look forward to applying our joint capabilities to grow the business while continuing to provide reliable, efficient ferry services to both passengers and freight customers", says Torben Carlsen, CEO of DFDS.

FRS Iberia/Maroc has three routes operated by a total of 850 staff of which just over 400 are own employees. Revenue for 2023 was DKK 1.0bn (preliminary).

Growth-focused business and integration plan

The main focus of the business plan is to deploy DFDS' freight and passenger capabilities to grow and optimise operations building on expected annual trade growth of 8% between Morocco and Europe for the next five years.

The integration of the passenger business is expected to benefit from sharing of operating and yield management capabilities, not least from the Channel short-sea routes. Optimisation of digital distribution channels is moreover expected to increase the share of online bookings.

The freight activities will be strengthened by becoming part of a pan-European freight ferry network with expertise in operations, product development, and customer service. The integration of the freight activities is also expected to benefit from a customer overlap and cross sales opportunities.

DFDS' owned combined freight and passenger ferry (RoPax), Patria Seaways, was chartered by FRS Iberia/Maroc in November 2023 for interim deployment on the Algeciras-Tanger Med route.

Integration synergies are expected to be driven primarily by growth synergies as limited cost synergies are expected. The integration is expected to be completed within three years.

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About DFDS

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

We move goods in trailers by ferry, road & rail and we offer complementary and related transport and 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.

Disclaimer

The statements about the future in this announcement contain an element of risk and uncertainty which means that actual developments may diverge significantly.

FRS Iberia/Maroc will become part of the Ferry Division and their top management team consisting of Ronny Moriana Glindemann and Tim Gädecken have joined DFDS and will continue to manage the business.

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Transaction structure and financing

DFDS has acquired FRS Iberia/Maroc for a debt-free price equal to an EV/EBITDA multiple of 6x based on the expected EBITDA for 2024. The transaction will be financed by a combination of loan financing and use of existing cash funds.

The transaction increases DFDS' financial leverage, NIBD/EBITDA, by 0.1x on a pro forma basis.

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



FRS Iberia/Maroc's route network