



Q1 2023 interim report

SOLID START TO 2023

- Revenue up 9% to DKK 6.3bn
- EBITDA up 23% to DKK 1.0bn
- Passenger recovery continued
- Slowdown in freight volumes
- EBITDA outlook of DKK 4.5-5.0bn unchanged



Highlights Q1

Q1 2023

- 7% lower CO2 emissions per GT nautical mile
- ROIC increased to 9.0% from 4.6%
- Acquisition of McBurney completed

Outlook 2023, unchanged

- EBITDA of DKK 4.5-5.0bn
- Revenue at same level as 2022
- Investments of DKK 1.6bn

“Our Q1 result was ahead of our expectations. We are however closely monitoring our markets as we continue to develop growth opportunities to enhance our customer offerings.”

Torben Carlsen, CEO

Q1 revenue increased 9% to DKK 6.3bn driven by the continued recovery in passenger numbers and spending, price increases for freight services to cover rising energy and other costs, and a positive impact from acquisitions.

Q1 EBITDA increased 23% to DKK 1,007m. The EBITDA for the freight ferry activities increased 4% to DKK 717m and the EBITDA for the Logistics Division increased 38% to DKK 299m.

Freight volumes between the UK and Continent/Scandinavia declined in Q1, especially on the English Channel, while domestic transport volumes, also in the UK, were more robust. The war in Ukraine lowered freight volumes in the Baltic region compared to 2022.

The Q1 EBITDA for passenger activities across the route network increased DKK 100m to DKK 9m which was on level with Q1 2019, the latest pre-Covid-19 year.

For the last twelve months (LTM) 2023-22, EBITDA increased 4% to DKK 5,160m.

Outlook 2023

The outlook for EBITDA of DKK 4.5-5.0bn is unchanged. Revenue is overall still expected to remain at the same level as 2022. The investment outlook of around DKK 1.6bn is also unchanged, excluding acquisitions. The outlook is detailed on page 9.

KEY FIGURES

DKK m	2023 Q1	2022 Q1	Change, %	2022-23 LTM	2021-22 LTM	Change, %	2022 Full-year
Revenue	6,341	5,837	9	27,376	20,249	35	26,873
Operating profit before depreciation (EBITDA)	1,007	821	23	5,160	3,404	52	4,974
Operating profit (EBIT)	362	207	75	2,623	1,286	104	2,468
Profit before tax	229	149	54	2,220	1,026	116	2,139

11 May 2023. Conference call today at 10.00am CET

Register ahead of the call via this [link](#). Access code is mailed after registration. Follow live-streaming of call via this [link](#).

Key figures

DKK m	2023 Q1	2022 Q1	2022-23 LTM	2022 Full-year
Income statement				
Revenue	6,341	5,837	27,376	26,873
• Ferry Division	3,820	3,482	17,170	16,831
• Logistics Division	2,849	2,666	11,607	11,423
• Non-allocated items	177	162	639	624
• Eliminations	-505	-472	-2,040	-2,006
Operating profit before depreciation (EBITDA)	1,007	821	5,160	4,974
• Ferry Division	727	598	4,113	3,984
• Logistics Division	299	216	1,148	1,066
• Non-allocated items	-18	7	-101	-76
Operating profit before amortisation (EBITA)	403	239	2,767	2,603
Operating profit (EBIT)	362	207	2,623	2,468
Financial items, net	-133	-59	-404	-329
Profit for the period	130	114	2,035	2,019
Capital				
Total assets	35,718	32,450	-	34,084
Equity	12,711	11,462	-	13,135
Net interest-bearing debt	15,845	14,638	-	14,109
Invested capital, end of period	28,980	26,424	-	27,554

DKK m	2023 Q1	2022 Q1	2022-23 LTM	2022 Full-year
Cash flows				
Cash flows from operating activities	1,040	716	4,804	4,480
Cash flows from investing activities	-1,524	-953	-3,561	-2,989
Free cash flow	-484	-237	1,243	1,491
Adjusted free cash flow	258	-503	1,586	825
Key operating and return ratios				
Average number of employees (FTE)	12,382	10,832	11,449	11,510
Revenue growth (reported), %	8.6	51.9	1.9	47.0
EBITDA-margin, %	15.9	14.1	18.8	18.5
EBITA-margin, %	6.4	4.1	10.1	9.7
EBIT-margin, %	5.7	3.6	9.6	9.2
Return on invested capital (ROIC), %, LTM	9.0	4.6	9.0	8.7
ROIC before acquisition intangibles, %, LTM	12.0	6.3	12.0	11.7
Return on equity, %	-	-	16.9	16.4
Key capital and per share ratios				
Financial leverage, times	2.9	4.0	2.9	2.8
Equity ratio, %	35.6	35.3	-	38.5
Earnings per share (EPS), DKK	2.28	1.94	35.34	35.09
Dividend paid per share, DKK	5.00	4.00	-	8.00
Number of shares, end of period, '000	58,632	58,632	-	58,632
Share price, DKK	277.8	288.4	-	256.4

Definitions on page 30.

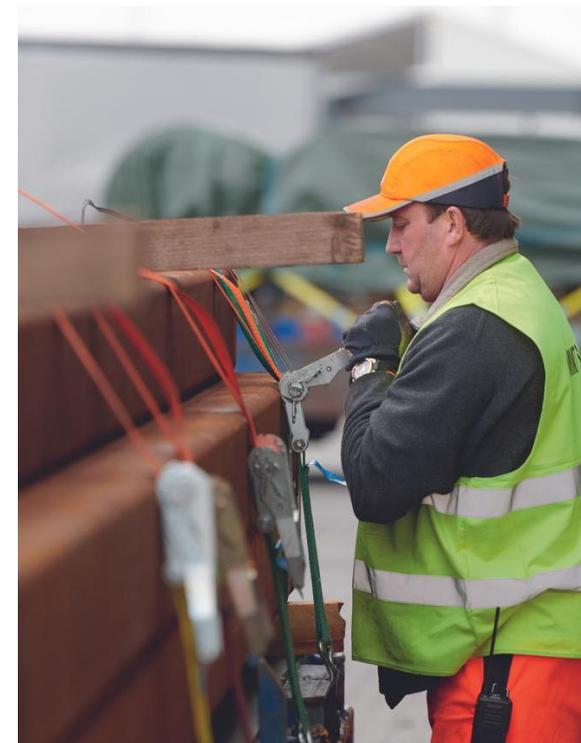
ESG key figures

		2023	2022	2022-23	2022
	Unit	Q1**	Q1*	LTM*	Full-year*
Environmental data					
Total distance sailed	Nautical miles	1,368,060	1,426,876	5,780,803	5,839,619
CO2 emissions					
CO2 emissions per GT nautical mile (Own fleet)	gCO2	12.4	13.1	12.4	12.5
CO2 emissions per GT nautical mile (Route network)	gCO2	12.7	13.6	12.8	13.0
Energy consumption					
Total fuel consumption (Route network)	Tonnes	184,896	199,290	785,121	799,515
Oil spills					
Spills (>1 barrel)	Number	0	0	0	0
Social data					
Representation of women					
Total workforce:	%	24	23	-	24
• Non-officed based	%	13	12	-	12
• Office based	%	44	43	-	43
Senior management	%	15	16	-	15
Managers	%	16	15	-	16
Safety at sea					
Lost-time injury frequency (LTIF)	Incidents/mio. hours	4.3	3.8	4.8	4.5
Safety on land					
Lost-time injury frequency (LTIF)	Incidents/mio. hours	10.8	10.9	8.1	7.9
Fatalities					
Colleagues	Accidents	0	0	1	1
Contractors	Accidents	1	0	1	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	97	100	99
Whistle-blower reporting	Cases	16	11	38	33

* 2022 ESG 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 ESG data excludes McBurney Transport Group (acquired in February 2023)

Definitions on page 31.



Management review

Reporting changes

The financial reporting segments in the management review has from Q1 2023 been aligned with the financial statements' segments: Ferry Division, Logistics Division, and Non-allocated. The division reporting tables in the management review have been expanded with additional financial information and key figures, including freight ferry volumes per area. Financials per business unit previously reported in the management review will therefore no longer be reported.

To further simplify reporting, the reporting line Special items in the Income statement will be discontinued from Q1 2023. Comparative figures have been restated.

Market overview

Freight volumes generally declined in Q1 following a slow-down in demand in response to among other things high energy prices and other increases in costs of living. Uncertainty about the growth outlook for the rest of the year remains elevated.

The lower demand has eased bottlenecks in European supply chains as the haulage market's supply/demand balance has improved. Certain sectors are still challenged by shortages of industrial parts and raw materials as well as staff. Backlogs in the automotive sector remain in place.

The growth of Türkiye's economy in Q1 2023 was negatively impacted by the earthquake in February. The full-year growth outlook remains, however, positive as near-shoring of manufacturing is expected to underpin growth in the country's export sector. Türkiye holds elections in May which lowers visibility.

The year-on-year recovery in ferry passenger volumes continued in Q1 across northern Europe as Covid-19 travel restrictions were still in place through Q1 2022 in most markets. The recovery of volumes on The English Channel is lagging other markets.

The main changes in average exchange rates in Q1 2023 vs Q1 2022 were depreciation of TRY/DKK by 23%, NOK/DKK by 10%, and SEK/DKK by 7%.

Major events in Q1

Acquisition of McBurney Transport Group completed

On 28 February 2023, the acquisition of 100% of McBurney Transport Group headquartered in Northern Ireland was completed. 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. Warehousing, distribution, and other logistics services are also provided.

McBurney Transport Group has more than 800 employees and had revenue in 2022 of DKK 1.3bn and EBITDA of DKK 230m (pre-IFRS 16).

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. The purchase price was DKK 1.2bn.

Share buyback of DKK 300m completed

A share buyback structured as an auction process was completed on 22 February 2023. A total of 1,071,428 shares at DKK 280 per share of nominally DKK 20 was acquired for DKK 300m.

Lauritzen Fonden Holding participated in the buyback with the sale of 453,536 shares (corresponding to 42.33% of the total). After the buyback DFDS holds 2,451,616 treasury shares corresponding to 4.18% of the total share capital.

Bond issue of NOK 1.5bn

On 9 March 2023, DFDS issued two tranches of senior unsecured bonds totalling NOK 1,500m. A senior unsecured bond of NOK 1,000m was issued with maturity on 16 March 2026, a coupon of 3-month NIBOR + 225 bps, and priced at par. In addition, a senior unsecured bond of

NOK 500m was issued with maturity on 16 March 2028, a coupon of 3-month NIBOR + 260 bps, and priced at par.

The proceeds from the bond issues was used for refinancing of outstanding debt and general corporate purposes.

Major events after Q1

No major events to report.

ESG actions and plans

Environment

In February 2023, DFDS launched a Decarbonisation Management Board for the purpose of having a strategic decision forum for climate related topics. The key objective of the Board is to ensure progress on meeting decarbonisation targets and develop green transport offerings by prioritisation of resources across the Group.

The short-term reduction of emissions targeted up until 2030 is on track for both ferry and logistics activities. Ferry initiatives are focused on continuous improvement of the existing fleet's fuel efficiency through operational end technical solutions such as silicone hull paint and changed route schedules.

Logistics initiatives are focused on increasing consumption of available sustainable fuels such as HVO (Hydrogenated Vegetable Oil), deployment of e-trucks, and installation of

solar panels on warehousing and distribution centre rooftops.

More information on emission reductions are available in the Division sections.

Social

Diversity & Inclusion

In Q1 2023, the total female workforce representation increased one ppt to 24% compared to Q1 2022. The increase was due to increasing representation for both non-office workers that increased from 12% in Q1 2022 to 13% in Q1 2023, and office workers that increased from 43% in Q1 2022 to 44% in Q1 2023.

The female representation amongst managers increased from 15% in Q1 2022 to 16% in Q1 2023 whilst the representation at senior management level decreased from 16% in Q1 2022 to 15% Q1 in 2023.

The strategic focus on Diversity, Equity and Inclusion is supported by divisional target setting, talent and pipeline focus, as well as diversity and bias training that all contribute to awareness and manager accountability.

Safety

For sea-based operations, the lost-time injury frequency (LTIF) increased to 4.3 in Q1 2023 from 3.8 in Q1 2022.

The lost-time injury frequency (LTIF) for the land-based operation was 10.8 in Q1 2023 and compared to 10.9 in Q1 2022. The majority of both sea- and land-based inci-

dents are of a behavioural nature where primarily inattention has been identified as the root cause. Root cause analysis of near-miss accidents are shared internally via safety alerts.

In Q1 2023, we were deeply saddened by the demise of a third party truck driver following a fatal injury in an incident on our premises in the Ghent port terminal. The incident occurred in connection with the decoupling of a trailer. Learnings from the incident have been distributed as safety alerts to all relevant stakeholders to increase awareness and emphasise the importance of always complying with the prescribed safety procedures. The incident has also been investigated by the authorities.

Governance

Starting in 2023, targets for several key ESG drivers - CO2 emissions, safety, and female representation - have been added as mandatory components in the bonus program comprising more than 400 managers and employees.

The number of reported whistle-blower cases increased to 16 in Q1 2023 from 11 in Q1 2022. All cases are investigated by relevant managers and/or local HR. Most reported incidents have a lower level of gravity and main sanctions on closed cases have been to address unwanted behaviour and emphasise the importance of acting in accordance with DFDS' Code of Conduct.

Financial performance

Revenue

The Group's Q1 revenue was DKK 6,341m, an increase of 8.6% compared to 2022.

The Ferry Division's Q1 revenue increased 9.7% to DKK 3,820m driven by 64% higher passenger revenue as the recovery from Covid-19 continued in Q1. Freight ferry revenue was overall on level with last year.

The Logistics Division's Q1 revenue increased 6.9% to DKK 2,849m driven mainly by revenue added from the acquisitions of Lucey Transport Logistics and McBurney Transport Group.

EBITDA

The Group's Q1 EBITDA increased 23% or DKK 186m to DKK 1,007m following higher earnings in both divisions.

Ferry Division's Q1 EBITDA increased 21% or DKK 128m to DKK 727m. The EBITDA for freight ferry activities increased 4% to DKK 717m while the EBITDA for passenger activities across the network increased DKK 100m to DKK 9m from DKK -91m in 2022. Q1 is the low season quarter for the passenger activity.

Logistics Division's Q1 EBITDA increased 38% or DKK 83m to DKK 299m following higher results for both Dry Goods and Cold Chain activities as well as a positive impact from acquisitions.

Revenue

DKK m	Q1 2023	Q1 2022	Change, %	Change
Ferry Division	3,820	3,482	9.7	338
Logistics Division	2,849	2,666	6.9	183
Non-allocated items	177	162	9.5	15
Eliminations	-505	-472	-7.2	-34
DFDS Group	6,341	5,837	8.6	503

EBITA and EBIT

Depreciation in Q1 of DKK 605m was 4% or DKK 22m higher than last year. The increase was driven mainly by the acquisitions of Lucey Transport Logistics and McBurney Transport Group.

The Group's Q1 EBITA increased 69% or DKK 164m to DKK 403m. Amortisation in Q1 increased 29% to DKK 41m following the acquisitions of Lucey Transport Logistics and McBurney Transport Group.

The Group's Q1 EBIT increased 75% or DKK 155m to DKK 362m.

Financial items

Total net financial items in Q1 was a cost of DKK 133m, an increase of 127% or DKK 75m compared to Q1 2022 that was due primarily to a net interest cost increase of DKK 61m. Interest-bearing debt increased 6% and the average borrowing rate almost doubled. Lease liabilities increased 18% and the lease interest rate also increased.

Profit before and after tax

The Q1 profit before tax increased 54% or DKK 80m to DKK 229m. The tax cost increased DKK 65m to DKK 99m due to a retroactive Turkish earthquake tax of DKK 46m. The profit for the period was DKK 130m, an increase of 14% compared to 2022.

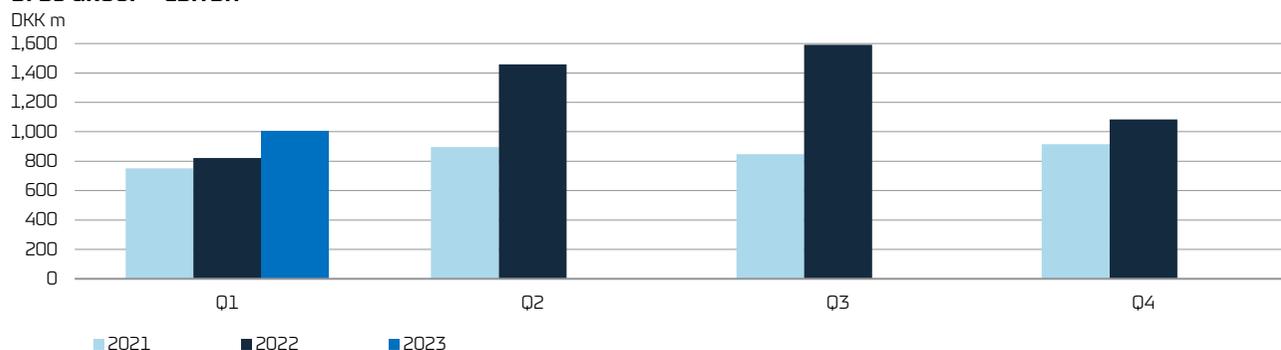
Earnings per share

Q1 earnings per share (EPS) increased 17% to DKK 2.28 from DKK 1.94 in Q1 2022.

Cash flow and investments

The Q1 cash flow from operating activities increased 45% to DKK 1,040m compared to Q1 2022 driven by the higher operating result and a positive cash flow from working capital. Net investments in Q1 totalled a negative cash flow of DKK 1,524m resulting in a free cash flow of DKK -484m. This included acquisitions of DKK -949m net of acquired cash.

The Q1 cash flow from financing activities was positive by DKK 340m, including a net loan inflow of DKK 147m, pro-

DFDS GROUP - EBITDA**Operating profit before depreciation (EBITDA)**

DKK m	Q1 2023	Q1 2022	Change, %	Change
Ferry Division	727	598	21.5	128
Logistics Division	299	216	38.3	83
Non-allocated items	-18	7	n.a.	-26
DFDS Group	1,007	821	22.6	186
EBITDA-margin, %	15.9	14.1	n.a.	1.8

EBITA and EBIT

DKK m	Q1 2023	Q1 2022	Change, %	Change
EBITDA	1,007	821	22.6	186
Associates and joint ventures	-8	-4	-83.8	-4
Profit/loss on disposals	8	4	86.2	4
Depreciation and impairment	-605	-583	-3.8	-22
EBITA	403	239	68.7	164
Amortisation	-41	-32	-28.8	-9
EBIT	362	207	74.8	155

Financial items

DKK m	Q1 2023	Q1 2022	Change, %	Change
Interests, net	-133	-72	-84.8	-61
Foreign exchange gains/losses, net	8	11	-22.0	-2
Other items, net	-9	3	n.a.	-11
Total finance, net	-133	-59	-127.0	-75

ceeds from a bond issue of DKK 981m, and a total distribution to shareholders of DKK 581m consisting of a share buyback of DKK 300m and a dividend of DKK 281m. The net decrease in cash was DKK 144m and at the end of Q1 2023 cash amounted to DKK 1,045m.

The Q1 adjusted free cash flow (FCFE) was DKK 258m up from DKK -503m in Q1 2022. The LTM Q1 adjusted free cash flow (FCFE) was DKK 1,586m compared to DKK 825m for 2022. The LTM adjusted free cash flow was increased by a higher level of earnings, an increased inflow from working capital, lower ferry investments, and a decrease in lease payments.

Invested capital and ROIC

Invested capital increased 10% to DKK 29.0bn at the end of Q1 2023 compared to Q1 2022. The majority of the increase was due to two logistics acquisitions.

The return on invested capital, ROIC, before acquisition intangibles was 12.0% up from 6.3% in Q1 2022, and ROIC increased to 9.0% from 4.6% in Q1 2022.

Capital structure

At the end of Q1 2023 net-interest-bearing debt (NIBD) was DKK 15.8bn, an increase of 8% compared to the end of 2022. The increase was due primarily to the acquisition of McBurney Transport Group.

Financial leverage, as measured by the ratio of NIBD to EBITDA for the last twelve months (LTM), was 2.9 at the end of Q1 2023 compared to 2.8 at year-end 2022.

Equity

Equity amounted to DKK 12,711m at the end of Q1 2023, including non-controlling interests of DKK 1.15m. This was a decrease of 3% compared to the end of 2022. Total comprehensive income for Q1 2023 was DKK 152m while transactions with owners was DKK -576m that included a dividend of DKK 281m and share buyback of DKK 300m.

The equity ratio was 36% at the end of Q1 2023 compared to 39% at year-end 2022.

Outlook 2023

The outlook visibility for 2023 remains impaired by especially the war in Ukraine and the current elevated financial uncertainty.

The outlook for 2023 builds on multiple assumptions that may change significantly as the year progresses.

The current consensus 2023 outlook for Europe's GDP-growth (Gross Domestic Product) has been raised to 0.5% from 0.1% in February 2023 reflecting a slightly more positive outlook. Türkiye's GDP-growth outlook unchanged at 3.0% (Source: Thomson Reuters).

Key freight outlook assumptions for 2023

A high share of freight volumes is expected to remain resilient in 2023 but as anticipated freight volumes have declined in parts of the network through Q1.

Outlook 2023

DKK m	Outlook 2023	2022
Revenue growth	On level	26,873
EBITDA	4,500-5,000	4,955
Per division:		
Ferry Division	3,350-3,650	3,966
Logistics Division	1,200-1,400	1,066
Non-allocated items	-50	-76
Investments	-2,800	-2,989
Types:		
Operating	-1,600	-1,838
Ferries: sale & purchase and new-buildings	0	-871
Acquisitions	-1,200	-280

Mediterranean freight volumes are still expected to continue to grow in 2023, especially if the rerouting of volumes to Central Asian continues. As expected volumes to and from the UK slowed down in Q1 and volumes are expected to remain on a level with or below last year for the rest of the year. Channel's ferry volumes are still expected to be lower in the first half-year as a third operator ramped up capacity through Q1 2022 and a second operator suspended sailings in most of Q2 2022.

The war in Ukraine is still expected to continue to depress ferry volumes in the Baltic region.

The acquisition of McBurney Transport Group was completed at the end of February 2023, around one month earlier than previously expected.

Key passenger outlook assumptions for 2023

Around 90% of the passenger EBITDA was regained in 2022 following a reduction of DKK 1bn compared to the earnings level pre Covid-19.

Passenger volumes increased as expected in Q1 as travel restrictions remained in place through most of Q1 2022. Volumes are still expected to continue to recover in Q2, but at a lower rate than in Q1, as travel in general was still ramping up through Q2 in 2022. Passenger earnings are still expected to overall increase in 2023.

Revenue outlook

The Group's revenue is overall still expected to remain at the same level as 2022. The Ferry Division's revenue growth is still expected to be driven mainly by rate increases to cover higher operating costs and by volume growth in the Mediterranean network. Channel's freight revenue is still expected to decrease due to a negative

full-year impact of the current overcapacity on the Dover Strait. Passenger revenue is expected to increase. In addition, revenue from bunker surcharges is contingent on development in oil prices that at the end of Q1 2023 was below last year at the same time.

Logistics' revenue growth is expected to be driven by organic growth from rate increases and new activities. In addition, the full-year impact of the acquisition of Lucey Transport and the acquisition of McBurney Transport Group will increase revenue.

Earnings outlook - unchanged

Based on the above assumptions, the Group's EBITDA is still expected to be within a range of DKK 4.5-5.0bn (2022: DKK 5.0bn). See outlook table for divisional split.

Investments

Operating investments, i.e. excluding acquisitions and other transactions, are still expected to amount to around DKK 1.6bn in 2023:

- No purchases of new or second-hand ferries are expected
- Dockings and ferry upgrades, including energy efficiency projects: DKK 800m
- Port terminals and other equipment: DKK 400m
- Cargo carrying equipment and warehouses, mainly related to Logistics Division: DKK 300m
- Other investments, including digital: DKK 100m.

The purchase price of McBurney Transport Group was DKK 1.2bn which was in line with the investment outlook for acquisitions.

Various risks and uncertainties pertain to the outlook

The most important among these 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 and exchange rates, can furthermore impact earnings.

Future financial results may therefore differ significantly from outlook expectations.



Growing energy production from solar panels

In Q1 2023, solar panel installations in the cold chain facility in Neuenkirchen-Vörden in Germany were completed. The annual electricity production capacity is in total expected to grow to 2.1 MKWh in 2023 from 1.5 MKWh in 2022.

Ferry Division

- Freight volumes lowered by war in Ukraine and Channel overcapacity
- Passenger recovery continued
- 7% lower CO2 emissions per GT nautical mile

Q1 volumes and activity changes

Total Q1 freight volumes decreased 9.1% compared to Q1 2022 driven by significant decreases on the Baltic Sea and the Channel. Baltic Sea volumes were 19.7% lower following a negative impact from the war in Ukraine. Channel volumes were down 13.8% as the total market contracted by 6.3% and market share was reduced by the ramp-up of capacity through Q1 2022 to three ferries by a ferry operator that had entered in 2021. In addition, volumes were compared to 2022 lowered by a ferry operator's suspension of sailings from mid-March 2022.

Volumes in the North Sea network were down 2.8% due to mainly lower fruit/vegetable exports to the UK from the Continent as high energy prices lowered production. Mediterranean volumes were 3.5% above 2022 adjusted for the closure of the Izmir-Tarragona route at the end of 2022. The earthquake in Türkiye had a temporary negative impact on Q1 volumes.

Ferry Division

DKK m	2023		2022			2022-23	2022
	Q1	Q1	Q2	Q3	Q4	LTM	Full Year
Revenue	3,820	3,482	4,544	4,753	4,052	17,170	16,831
Freight	3,312	3,172	3,752	3,503	3,423	13,990	13,849
Passenger	508	310	793	1,250	629	3,180	2,982
Operating costs	-2,248	-2,130	-2,520	-2,541	-2,349	-9,659	-9,541
Ferry operations	-527	-457	-397	-505	-528	-1,956	-1,886
Bunker	-752	-817	-1,135	-1,135	-942	-3,965	-4,030
Port terminal operations	-793	-722	-814	-765	-690	-3,062	-2,991
Transport and warehouse solutions	-176	-134	-174	-137	-190	-676	-634
Employees	-630	-544	-601	-609	-609	-2,449	-2,364
Sales, general and administration	-216	-209	-206	-293	-235	-949	-943
EBITDA	727	598	1,218	1,310	859	4,113	3,984
Freight	717	689	944	722	728	3,112	3,083
Passenger	9	-91	274	587	131	1,001	901
Other income/costs, net	-4	-2	-2	-5	-3	-13	-11
Depreciation and impairment	-430	-435	-456	-442	-445	-1,773	-1,779
EBITA	293	161	760	863	411	2,326	2,194
Amortisation	-9	-10	-10	-10	-9	-38	-38
EBIT	283	151	750	854	401	2,288	2,156
Invested capital, average	21,404	20,780	20,796	20,839	21,265	21,103	20,931
EBITDA-margin, %	19.0	17.2	26.8	27.6	21.2	24.0	23.7
EBITA-margin, %	7.7	4.6	16.7	18.2	10.1	13.5	13.0
EBIT-margin, %	7.4	4.3	16.5	18.0	9.9	13.3	12.8
Gross Capex (excl. acquisitions and leases)	438	836	328	621	247	1,633	2,031
ROIC before acquisition intangibles, %, LTM	13.2	6.1	8.5	11.9	12.6	13.2	12.6
ROIC, %, LTM	10.5	4.7	6.6	9.4	10.0	10.5	10.0
Average number of employees	6,327	-	-	-	-	6,026	6,138
Number of ferries	65	-	-	-	-	65	64
Lane metres, '000	9,647	10,617	11,523	9,915	9,692	40,777	41,746
North Sea*	3,508	3,625	3,701	3,465	3,421	14,095	14,212
Mediterranean	1,345	1,363	1,426	1,329	1,448	5,548	5,566
Channel	3,993	4,629	5,410	4,220	3,904	17,527	18,164
Baltic Sea	802	999	986	900	918	3,607	3,804
Capacity utilisation freight, %	59	66	68	56	57	60	61
Number of cars, '000	152	100	309	508	208	1,176	1,124
Passengers, '000	619	283	984	1,704	801	4,108	3,772

* Includes volumes for the routes Oslo-Frederikshavn-Copenhagen and Amsterdam-Newcastle.
Definitions on page 30.

Total freight capacity utilisation was 59%, a decrease of 7 ppt compared to Q1 2022 on account of primarily the lower Baltic and Channel volumes. The Mediterranean network’s capacity utilisation was up 3 ppt.

A new freight ferry route between Izmir and Sète was opened on 2 April 2023 with initially one freight ferry deployed. The route replaces the Izmir-Tarragona route that was closed at the end of 2022.

Total Q1 passenger volumes more than doubled to 619k from 283k in Q1 2022 as volumes recovered from the Covid-19 travel restrictions that were still in place in most markets through Q1 2022. The Q1 2023 volumes were at index 85 compared to Q1 2019. Volumes on the Baltic Sea as well as on the Norway-Denmark and Netherlands-UK routes were above 2019. Channel volumes were compared to 2019 at index 73 which was in line with the index for the total Dover Strait market.

Financial performance

Q1 revenue increased 9.7% to DKK 3,820m compared to 2022 driven by 63.8% higher passenger revenue following the volume recovery while freight ferry revenue was on a level with 2022. Freight ferry revenue was reduced by the lower volumes but offset partly by rate increases in all route networks, except for the Channel, and partly by additional revenue from bunker surcharges due to higher oil prices in the first two months of the quarter.

EBITDA increased 21% or DKK 128m to DKK 727m. The EBITDA from passenger activities increased DKK 100m to DKK 9m and the freight ferry EBITDA increased 4% to

DKK 717m. The results for all route networks were above last year, except for Channel that was negatively impacted by the lower freight volumes and additional ferry maintenance costs.

EBITA increased 82% or DKK 132m to DKK 293m.

The average invested capital at the end of Q1 2023 increased 3% to DKK 21.4bn compared to Q1 2022. The invested capital was DKK 17.3bn excluding acquisition intangibles.

The return on invested capital, ROIC, before acquisition intangibles was 13.2% up from 6.1% in Q1 2022, and ROIC increased to 10.5% from 4.7% in Q1 2022.

Continued improvement of CO2 efficiency

In Q1 2023, CO2 emissions were reduced on both own and chartered vessels deployed across the route network. Own fleet emissions were reduced 5% to 12.4 g/CO2/GT per nautical mile from 13.1 g/CO2/GT per nautical mile in Q1 2022. Emissions from the entire route network were lowered 7% to 12.7 g/CO2/GT per nautical mile from 13.6 g/CO2/GT per nautical mile in Q1 2022.

Decarbonisation activities

In March 2023, a memorandum of understanding (MoU) was signed between DFDS and the English Channel ports to enhance collaboration on decarbonisation of maritime traffic on the Dover Strait. The aim is to enable carbon neutral cross-Channel shipping with zero emission battery-powered electric ferries by installing charging facilities at the ports.

Projects to enable deployment of a green freight ferry in the route network by 2025 continued in the quarter. The project to develop ‘green transport corridors’ likewise continued in partnership with stakeholders that include companies in different parts of the value chain.

Social performance

The Ferry Division’s female representation increased both on land and at sea. The land-based operation reached the targeted 30% in Q1 2023 compared to 29% in Q1 2022. The increase at sea was from 18% in Q1 2022 to 19% in Q1 2023. Both areas are challenged by pockets with low female representation: Port terminal workers on land and within the Deck & Engine organisation at sea.

Ferry Division

	2023		2022			2022-23	2022
	Q1	Q1	Q2	Q3	Q4	LTM	Full Year
Representation of women, Sea, %	19	18	19	20	19	-	19
Representation of women, Land, %	30	29	30	30	30	-	30
Lost-time injury frequency (LTIF), Sea*	4.3	3.8	4.8	5.2	3.4	4.8	4.5
Lost-time injury frequency (LTIF), Land*	14.9	14.2	7.7	13.6	8.1	11.6	11.1

* 2022 ESG data excludes primeRail for LTIF figures (acquired in May 2022)

The health & safety indicator Lost-Time-Injury-Frequency (LTIF) increased on both land and sea in Q1 2023 compared to same quarter last year. Initiatives to improve safety performance include safety awareness campaigns, promotion of a strong safety culture, and performance review meetings with local and divisional management. Focus is on locations with the highest levels of LTIF.

Logistics Division

- Slowdown in trade between UK and Continent/Scandinavia
- Domestic transport markets more robust
- Continued firm demand for warehousing and logistics solutions

Q1 overview and activity changes

Volumes between the UK and the Continent/Scandinavia declined in Q1 compared to last year as demand from the UK slowed down. Trade between Sweden and the Baltic region also slowed due to the war in Ukraine. Domestic transport volumes were generally more robust, also in the UK and Ireland. Cold chain meat volumes were lower in most markets while UK seafood volumes rebounded somewhat in the quarter. The volume slowdown contributed to improving the overall supply/demand balance in the haulage market.

In anticipation of a slowdown in both dry and cold chain transport markets, the decline in volumes was mitigated by capacity management and balancing of transports.

Demand for contract logistics solutions, including warehousing, remained firm and utilisation in the new warehousing facilities in Sweden, the Netherlands, and the UK progressed in line with expectations.

Logistics Division

DKK m	2023		2022			2022-23	2022
	Q1	Q1	Q2	Q3	Q4	LTM	Full Year
Revenue	2,849	2,666	2,979	2,947	2,832	11,607	11,423
Dry Goods	1,562	1,418	1,618	1,553	1,569	6,302	6,158
Cold Chain	1,278	1,251	1,349	1,388	1,252	5,267	5,240
Operating costs							
Transport and warehousing costs	-1,864	-1,850	-2,084	-2,045	-1,925	-7,918	-7,904
Gross profit	985	816	894	902	907	3,689	3,520
Sales, general and administration	-169	-158	-142	-116	-84	-511	-499
Employee costs	-517	-442	-478	-490	-545	-2,030	-1,955
EBITDA	299	216	274	297	278	1,148	1,066
Other income/costs, net	4	2	4	3	10	21	18
Depreciation and impairment	-163	-138	-135	-135	-149	-582	-558
EBITA	140	80	143	165	139	587	526
Amortisation	-18	-12	-12	-13	-15	-59	-52
EBIT	122	68	131	152	124	528	474
Gross profit margin, %	34.6	30.6	30.0	30.6	32.0	31.8	30.8
EBITDA-margin, %	10.5	8.1	9.2	10.1	9.8	9.9	9.3
EBITA-margin, %	4.9	3.0	4.8	5.6	4.9	5.1	4.6
EBIT-margin, %	4.3	2.5	4.4	5.2	4.4	4.6	4.1
Invested capital, average	5,988	4,418	4,676	4,934	5,205	5,291	4,797
Gross Capex (excl. acquisitions and leases)	144	68	198	138	294	774	698
ROIC before acquisition intangibles, %, LTM	14.8	13.4	15.2	14.3	14.9	14.8	14.9
ROIC, %, LTM	7.7	6.8	7.8	7.2	7.7	7.7	7.7
Average number of employees	5,159	-	-	-	-	4,601	4,544

Definitions on page 30.

Financial performance

Q1 revenue increased 6.9% to DKK 2,849m compared to 2022. Revenue was at the same level as 2022 adjusted for the acquisitions of Lucey Transport Logistics and McBurney Transport Group.

The lower volumes decreased revenue for a number of activities which was offset by higher contract logistics revenue, new activities, and an uplift in revenue in the Sweden-Belgium transport corridor.

Gross profit increased 21% or DKK 170m to DKK 985m and the gross profit margin improved to 34.6% from 30.6% in Q1 2022. The increase in underlying earnings was achieved in spite of the lower volumes due to capacity management, pricing, and better balancing of transports. In addition, contract logistics activities continued overall to perform well and earnings were improved for a number of activities with lagging performance in Q1 2022.

EBITDA increased 38% or DKK 83m to DKK 299m and increased 21% adjusted for acquisitions.

EBITA increased 76% or DKK 60m to DKK 140m and the EBITA-margin improved to 4.9% from 3.0% in Q1 2022.

The average invested capital increased 36% or DKK 1.6bn to DKK 6.0bn at the end Q1 2023. The majority of the increase was due to the two acquisitions. In addition, warehousing capacity was expanded in the Nordics. The invested capital was DKK 3.9bn excluding acquisition intangibles.

The return on invested capital, ROIC, before acquisition intangibles was 14.8% up from 13.4% in Q1 2022, and ROIC increased to 7.7% from 6.8% in Q1 2022.

Decarbonisation activities

In Q1 2023, 27 of 125 ordered e-trucks were deployed. Deployment involves a detailed match of customer commitment, transport need and charging infrastructure. 21 were deployed in Sweden, three in Lithuania, two in Denmark, and one in Belgium. Deployment is expected to more than double by the end of Q2.

In Q1 2023, solar panels installations in Winterswijk and Neuenkirchen-Vörden were completed increasing the expected annual electricity production capacity to 2.1 MKwH up from 1.5 MKwH in 2022.

Social performance

The share of female representation was unchanged 17% compared to the same quarter last year. Compared to 2022, around 400 employees were added by the acquisitions of ICT Transport and Lucey Transport Logistics with a lower female representation than at DFDS.

Lost-Time-Injury-Frequency (LTIF) decreased in Q1 2023 to 10.7 from 11.2 in Q1 2022. Initiatives to further improve safety performance include safety awareness campaigns, promotion of a strong safety culture, and performance review meetings with local and divisional management. Focus is on activities and locations with the highest levels of LTIF.

Logistics Division

	2023		2022			2022-23	2022
	Q1	Q1	Q2	Q3	Q4	LTM	Full Year
Representation of women, Land, %*	17	17	17	17	17	-	17
Lost-time injury frequency (LTIF), Land*	10.7	11.2	5.7	4.1	10.1	7.6	7.5

* 2022 ESG data excludes ICT Logistics Group (acquired in January 2022) and Lucey Transport Logistics (acquired in September 2022) and 2023 Q1 ESG data excludes McBurney Transport Group (acquired in February 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 – 31 March 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 31 March 2023 and of the results of the DFDS Group's operations and cash flow for the period 1 January – 31 March 2023.

Further, in our opinion, the Management review p. 2-16 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, 11 May 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 Q1	2022 Q1	2022-23 LTM	2022 Full-year
Revenue	3	6,341	5,837	27,376	26,873
Costs					
Ferry and other ship operation and maintenance		-1,369	-1,405	-6,390	-6,426
Port terminal operations		-815	-738	-3,167	-3,090
Transport and warehouse solutions		-1,631	-1,552	-6,736	-6,657
Employee costs		-1,255	-1,075	-4,906	-4,726
Costs of sales, general and administration		-264	-246	-1,017	-1,000
Operating profit before depreciation (EBITDA)		1,007	821	5,160	4,974
Share of profit/loss of associates and joint ventures		-8	-4	-17	-14
Profit/loss on disposal of non-current assets, net		8	4	25	21
Depreciation, ferries and other ships		-343	-361	-1,428	-1,447
Depreciation and impairment losses, other non-current assets		-261	-221	-971	-931
Operating profit before amortisation (EBITA)		403	239	2,767	2,603
Amortisation		-41	-32	-144	-135
Operating profit (EBIT)		362	207	2,623	2,468
Financial income		21	14	76	80
Financial costs		-155	-73	-480	-409
Profit before tax		229	149	2,220	2,139
Tax on profit		-99	-34	-184	-120
Profit for the period		130	114	2,035	2,019
Attributable to:					
Equity holders of DFDS A/S		129	111	2,028	2,010
Non-controlling interests		1	3	7	10
Profit for the period		130	114	2,035	2,019
Earnings per share					
Basic earnings per share (EPS) of DKK 20, DKK		2.28	1.94	35.34	35.09
Diluted earnings per share (EPS-D) of DKK 20, DKK		2.27	1.94	35.32	35.04

DFDS Group – Statement of Comprehensive income

DKK m	2023 Q1	2022 Q1	2022-23 LTM	2022 Full-year
Profit for the period	130	114	2,035	2,019
Other comprehensive income				
Items that will not be reclassified subsequently to the Income statement:				
Remeasurement of defined benefit pension obligations	0	0	-46	-46
Items that will not be reclassified subsequently to the Income statement	0	0	-46	-46
Items that are or may be reclassified subsequently to the Income statement:				
Value adjustment of hedging instruments:				
Value adjustment for the period	48	57	261	270
Value adjustment transferred to operating costs	-29	0	-21	9
Value adjustment transferred to financial costs	-4	4	-3	5
Value adjustment transferred to non-current tangible assets	0	7	0	7
Tax on items that may be reclassified to the Income statement	0	0	-31	-31
Foreign exchange adjustments, subsidiaries	7	-17	-153	-177
Items that are or may be reclassified subsequently to the Income statement	22	51	53	82
Total other comprehensive income after tax	22	51	6	36
Total comprehensive income	152	165	2,042	2,055
Attributable to:				
Equity holders of DFDS A/S	151	162	2,034	2,045
Non-controlling interests	1	3	8	10
Total comprehensive income	152	165	2,042	2,055

DFDS Group - Balance sheet

Assets

DKK m	2023 31 March	2022 31 March	2022 31 Dec.
Goodwill	4,800	4,307	4,407
Other non-current intangible assets	2,033	1,644	1,701
Software	328	310	324
Development projects in progress	14	5	12
Non-current intangible assets	7,175	6,267	6,444
Land and buildings	661	432	559
Terminals	836	787	836
Ferries and other ships	13,281	12,232	13,186
Equipment, etc.	1,980	1,328	1,600
Assets under construction and prepayments	379	1,089	369
Right-of-use assets	4,906	4,291	4,648
Non-current tangible assets	22,044	20,158	21,197
Investments in associates, joint ventures and securities	5	23	13
Receivables	16	16	16
Prepaid costs	81	194	124
Deferred tax	47	36	49
Pension assets	0	30	0
Derivative financial instruments	173	124	299
Other non-current assets	321	423	500
Non-current assets	29,540	26,849	28,141
Inventories	320	348	324
Trade receivables	3,497	3,326	3,343
Receivables from associates and joint ventures	25	27	23
Other receivables	691	662	649
Prepaid costs	414	329	368
Derivative financial instruments	187	27	48
Cash	1,045	882	1,189
Current assets	6,179	5,601	5,943
Assets	35,718	32,450	34,084

Equity and liabilities

DKK m	2023 31 March	2022 31 March	2022 31 Dec.
Share capital	1,173	1,173	1,173
Reserves	-284	-347	-284
Retained earnings	11,708	10,527	12,133
Equity attributable to equity holders of DFDS A/S	12,596	11,353	13,022
Non-controlling interests	115	110	114
Equity	12,711	11,462	13,135
Interest-bearing liabilities	9,914	9,297	8,481
Lease liabilities	4,131	3,392	3,916
Deferred tax	470	360	359
Pension and jubilee liabilities	84	80	88
Other provisions	38	123	44
Derivative financial instruments	47	20	8
Non-current liabilities	14,685	13,272	12,896
Interest-bearing liabilities	2,156	2,038	2,349
Lease liabilities	856	840	788
Trade payables	3,590	3,468	3,661
Payables to associates and joint ventures	17	19	12
Other provisions	78	58	52
Corporation tax	257	125	170
Other payables	883	759	756
Derivative financial instruments	10	42	40
Prepayments	475	366	223
Current liabilities	8,322	7,715	8,053
Liabilities	23,007	20,987	20,949
Equity and liabilities	35,718	32,450	34,084

DFDS Group - Statement of changes in equity 1 January - 31 March 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					129	129	1	130
Other comprehensive income	0	6	15	0	0	21	0	22
Total comprehensive income	0	6	15	0	129	151	1	152
Dividend paid					-293	-293		-293
Dividend on treasury shares					12	12		12
Share-based payments					6	6		6
Share buyback				-21	-279	-300		-300
Transactions with owners	0	0	0	-21	-554	-576	0	-576
Equity at 31 March 2023	1,173	-536	301	-49	11,708	12,596	115	12,711

DFDS Group - Statement of changes in equity 1 January - 31 March 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					111	111	3	114
Other comprehensive income	0	-17	68	0	0	51	0	51
Total comprehensive income	0	-17	68	0	111	162	3	165
Addition related to acquisition, non-controlling interests					0	0	-1	0
Dividend paid					-235	-235		-235
Dividend on treasury shares					5	5		5
Share-based payments					5	5		5
Purchase of treasury shares				-2	-30	-32		-32
Transactions with owners	0	0	0	-2	-254	-256	-1	-256
Equity at 31 March 2022	1,173	-383	63	-28	10,527	11,353	110	11,462

DFDS Group – Statement of cash flows

DKK m	Note	2023 Q1	2022 Q1	2022-23 LTM	2022 Full-year
Operating profit before depreciation (EBITDA)		1,007	821	5,160	4,974
Adjustments for non-cash operating items, etc.		18	17	46	45
Change in working capital		177	27	155	6
Payment of pension liabilities and other provisions		-7	-8	-96	-97
Interest received, etc.		13	5	60	50
Interest paid, etc.		-134	-78	-446	-388
Taxes paid		-34	-69	-75	-109
Cash flow from operating activities		1,040	716	4,804	4,480
Investments in ferries including dockings, etc.		-392	-784	-1,355	-1,747
Sale of ferries		0	21	0	21
Investments in other non-current tangible assets		-191	-155	-1,062	-1,026
Sale of other non-current tangible assets		29	15	127	113
Investments in non-current intangible assets		-20	-14	-76	-70
Acquisition of enterprises, associates, joint ventures, and activities, net of cash acquired	4	-949	-35	-1,194	-280
Divestment of enterprises and associates		0	0	-2	-2
Other investing cash flows		-2	0	2	3
Cash flow from investing activities		-1,524	-953	-3,561	-2,989
Free cash flow		-484	-237	1,243	1,491
Proceed from bank loans and loans secured by mortgage in ferries		1,406	1,601	3,708	3,903
Repayment and instalments of bank loans and loans secured by mortgage in ferries		-1,259	-790	-3,101	-2,632
Proceed from issuance of corporate bonds		981	0	981	0
Repayment of corporate bonds incl. settlement of cross currency swap		0	0	-1,000	-1,000
Payment of lease liabilities		-210	-304	-869	-963
Settlement of forward exchange contracts related to leases		3	2	15	15
Acquisition of treasury shares and share buyback		-300	-32	-300	-32
Other financing cash flows		0	-33	0	-33
Dividends paid to non-controlling interests		0	0	-3	-3
Dividends paid to equity holders of DFDS A/S		-281	-229	-511	-459
Cash flow from financing activities		340	216	-1,079	-1,203
Net cash flow		-144	-20	165	288
Cash and cash equivalents at beginning of period		1,189	902	882	902
Foreign exchange and value adjustments of cash and cash equivalents		1	0	-2	-2
Cash and cash equivalents at end of period *		1,045	882	1,045	1,189

* At 31 March 2023 DKK 0m (31 March 2022: DKK 167m) 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

Going forward, 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 introduced EBITA in the Income statement, which comprise of 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 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 2023 Management has revisited forecasts for all cash generating units (CGUs) and concludes 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 2023				
External revenue	3,511	2,827	3	6,341
Intragroup revenue	309	22	174	505
Total revenue	3,820	2,849	177	6,846
Operating profit (EBITDA)	727	299	-18	1,007
Operating profit (EBIT)	283	122	-43	362
Invested capital, average	21,404	5,988	875	28,267

DKK m	Ferry Division	Logistics Division	Non- allocated	Total
Q1 2022				
External revenue	3,186	2,648	3	5,837
Intragroup revenue	296	17	158	472
Total revenue	3,482	2,665	162	6,309
Operating profit (EBITDA)	598	216	7	821
Operating profit (EBIT)	151	68	-12	207
Invested capital, average	20,780	4,418	699	25,897

Note 3 Revenue

DKK m	Q1 2023			Total
	Ferry Division	Logistics Division	Non-allocated	
Geographical markets				
North Sea	1,327	-	0	1,327
Mediterranean	1,140	-	0	1,140
English Channel	725	-	0	725
Baltic Sea	319	-	0	319
Continent	-	1,176	0	1,176
Nordic	-	1,014	0	1,014
UK/Ireland	-	636	0	636
Other	0	0	3	3
Total	3,511	2,827	3	6,341
Product and services				
Seafreight and shipping logistics solutions	2,578	0	0	2,578
Transport solutions	169	2,707	0	2,877
Passenger seafare and on board sales	508	0	0	508
Terminal services	144	2	0	146
Charters	77	11	0	88
Agency and other revenue	35	106	3	144
Total	3,511	2,827	3	6,341

DKK m	Q1 2022			Total
	Ferry Division	Logistics Division	Non-allocated	
Geographical markets				
North Sea	1,138	-	0	1,138
Mediterranean	1,010	-	0	1,010
English Channel	717	-	0	717
Baltic Sea	321	-	0	321
Continent	-	982	0	982
Nordic	-	1,082	0	1,082
UK/Ireland	-	584	0	584
Other	0	0	3	3
Total	3,186	2,648	3	5,837
Product and services				
Seafreight and shipping logistics solutions	2,339	12	0	2,350
Transport solutions	119	2,479	0	2,598
Passenger seafare and on board sales	310	0	0	310
Terminal services	236	2	0	237
Charters	118	6	0	124
Agency and other revenue	64	150	3	218
Total	3,186	2,648	3	5,837

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 275m (Q1 2022: DKK 163m).

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 88m (Q1 2022: DKK 124m).

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 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.

DKK m	Preliminary fair value at acquisition date
Non-current intangible assets	354
Land and buildings	87
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	-119
Interest bearing debt	-155
Trade payables	-124
Other liabilities	-66
Net assets acquired	811
Goodwill	384
Total purchase price	1,195
Contingent consideration assumed	-17
Cash and bank balances acquired	-229
Cash flow impact from acquisition	949

Due to the acquisition date being 28 February 2023 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 354m at 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 384m.

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.

2022

The purchase price allocation for Lucey Transport Logistics (acquired 30 September 2022) and primeRail (acquired 10 May 2022) is still preliminary, but unchanged compared to 31 December 2022. The purchase price allocation for ICT Logistics (acquired 19 January 2022) is finalised but 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 Q1 2023.

DKK m	Q1 2023		Q1 2022	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets				
Derivatives (Level 2)	360	360	152	152
Securities (Level 3)	2	2	2	2
Financial liabilities				
Derivatives (Level 2)	58	58	62	62

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. 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 increased by DKK 279m, equivalent to 12% compared to Q1 2022. Operating profit before depreciation (EBITDA) increased by DKK 119m equivalent to 42% compared to Q1 2022.

Profit before tax increased by DKK 49m compared to Q1 2022.

The Parent Company's net interest-bearing debt increased by DKK 1,588m equivalent to 22% compared to 31 December 2022.

DKK m	2023 Q1	2022 Q1	2022-23 LTM	2022 Full-year
Income statement				
Revenue	2,536	2,257	11,900	11,621
Operating profit before depreciation (EBITDA)	403	284	2,777	2,658
Operating profit (EBIT)	21	-77	1,254	1,157
Financial items, net	-52	-3	403	451
Profit before tax	-31	-80	1,657	1,608
Profit for the period	-32	-79	1,654	1,608
Assets				
Non-current intangible assets	455	427	-	448
Non-current tangible assets	8,500	7,950	-	8,635
Investments in subsidiaries	10,484	8,473	-	9,289
Investments in associates, joint ventures and securities	2	2	-	2
Non-current receivables from subsidiaries	35	35	-	60
Other non-current assets	156	150	-	280
Non-current assets	19,631	17,036	-	18,714
Current receivables from subsidiaries	1,011	776	-	1,064
Receivables from associates and joint ventures	22	24	-	22
Cash	375	389	-	489
Other current assets	1,595	1,430	-	1,412
Current assets	3,002	2,620	-	2,988
Total assets	22,634	19,656	-	21,702
Equity and liabilities				
Equity	10,063	9,085	-	10,649
Non-current liabilities	5,595	3,952	-	4,071
Current liabilities to subsidiaries	2,193	2,122	-	1,868
Other current liabilities	4,783	4,497	-	5,114
Current liabilities	6,976	6,619	-	6,982
Total equity and liabilities	22,634	19,656	-	21,702
Equity ratio, %	44.5	46.2	-	49.1
Net interest-bearing debt	8,719	7,171	-	7,131

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), %	$\frac{\text{Net operating profit after taxes (NOPAT)}}{\text{Average invested capital}} \times 100$
ROIC before acquisition intangibles, %	$\frac{\text{Net operating profit after taxes (NOPAT) excluding amortisation on acquisition intangible assets}}{\text{Average invested capital excluding acquisition intangible assets}} \times 100$
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 contain risks and uncertainties and actual developments may therefore diverge significantly from the statements about the future.

About DFDS

DFDS provides ferry and transport services in and around Europe, generating annual revenues of DKK 27bn.

To over 10,000 freight customers, we deliver high performance and superior reliability through ferry & port terminal services and transport & logistics solutions.

For millions of passengers, we provide safe overnight and short sea ferry services.

Our 12,000 employees are located on ferries, port terminals, distribution centres, and in offices across more than 20 countries. DFDS was founded in 1866, is headquartered in Copenhagen, and listed on NASDAQ Copenhagen.