

INTEGRATION OF HSF LOGISTICS GROUP STARTS AFTER CLOSING TODAY COMPLETED

- Majority of integration expected to be completed within a year
- Payment moved forward to speed up integration
- Annual synergy target of around DKK 75m to be reached by end of 2023
- Revenue of Logistics Division set to exceed DKK 8bn with EBITDA of around DKK 900m (before synergies)
- Logistics Division reorganised in two business units

DFDS has today completed the acquisition of the HSF Logistics Group. The company is one of Europe's leading cold chain logistics providers to meat producers and other food producers that operate temperature-controlled supply chains.

HSF Logistics Group has around 1,800 employees with annual revenue of approximately DKK 2.8bn and EBITDA of DKK 385m.

"I am very pleased to welcome all HSF employees to the DFDS Group. Our customer offering to a wide range of food producers is now enhanced significantly. Our dialogue since agreeing to join forces in January, has confirmed this is a great match", says Torben Carlsen, CEO of DFDS.

The acquisition of HSF Logistics Group is aligned with DFDS' Win23 strategy of growing solutions to select industries. The acquisition significantly strengthens DFDS' cold chain activities and the offering to cold chain logistics customers.

On a full-year basis, the expected combined pro forma revenue of the DFDS Group is around DKK 19bn generated by around 10,000 employees.

Management

Martin Gade Gregersen, currently CEO of HSF Logistics Group, is appointed Head of Cold Chain in DFDS, reporting to Niklas Andersson, EVP & Head of Logistics Division. In view of the importance and growth opportunities of Cold Chain, Martin Gade Gregersen is also appointed member of DFDS' Executive Management Team (EMT).

Transaction structure and financing

The enterprise value of the transaction is DKK 2.5bn. The EV/EBITDA transaction multiple is 6.5x.

The equity value of the transaction is DKK 1.82bn of which DKK 0.93bn was paid today. Payment of the remaining amount is set for 6 October 2021. Net interest-bearing debt of around DKK 0.76bn was taken over as part of the transaction.

DFDS A/S
Sundkrogsgade 11
DK-2100 Copenhagen Ø
CVR 14 19 47 11

www.dfds.com

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Contact

Torben Carlsen, CEO
+45 33 42 32 01

Karina Deacon, CFO
+45 33 42 33 42

Søren Brøndholt Nielsen, IR
+45 33 42 33 59

Nicole Seroff, Communications
+45 31 40 34 46

About DFDS

DFDS provides ferry and logistics services in and around Europe, generating annual revenues of DKK 19bn.

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

For five million passengers, we provide safe overnight and short sea ferry services.

Our 10,000 employees are located on ferries, terminals and in offices across more than 20 countries. DFDS was founded in 1866, is headquartered in Copenhagen, and listed on Nasdaq 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.

As part of the closing, shares held by minority interests have been acquired for a total payment of DKK 58m.

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It was previously expected to pay the transaction price over a period of three years. Payment has been forwarded to speed up integration. It also reflects DFDS' improved financial strength.

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HSF Logistics Group will be fully consolidated in the DFDS Group from today.

The transaction is expected to be accretive to earnings per share (EPS) from closing.

The EU Commission approved the transaction on 6 September 2021.

Integration and financial impacts

The integration plan is focused on five key areas:

- **Commercial:** Opportunities for expanding customer relationships and cross-selling driven by a stronger joint customer offering
- **Operations:** Creation of one joint equipment pool, including plastic box pallets, and one joint haulage organisation. Optimise capacity utilisation of combined ferry and logistics network
- **Procurement:** Scale benefits related to equipment and services
- **IT:** DFDS systems to cover all applications and infrastructure
- **Business support:** Integration of support and back-office functions.

The majority of the integration is expected to be completed within a year, except for the IT integration that is expected to take longer to complete. No material integration costs are expected.

Annual financial integration synergies, mainly from operation, procurement and process integration, are targeted to amount to around DKK 75m with a full run-rate impact from the end of 2023. Some of the impact is expected to be reported in the Ferry Division.

Reporting and business unit structure

HSF Logistics Group will be consolidated and included in the DFDS Group's financial results as per today. Following the acquisition, the revenue of DFDS' Logistics Division will increase to more than DKK 8bn of which around half will be generated by cold chain logistics.

The Logistics Division will be reorganised in two business units: Dry Goods and Cold Chain.

The Cold Chain activities embedded in DFDS' three existing Logistics business units – Nordic, Continent and UK & Ireland – will be merged with the HSF Logistics Group to form a focused Cold Chain business unit. Remaining activities will be organised in a new business unit: Dry Goods.

Comparison figures for the new Logistics business unit structure will be released in advance of the Q4 2021 report.

Outlook 2021 – EBITDA unchanged, investments updated

The expected impact of the consolidation in 2021 of the HSF Logistics Group is revenue of around DKK 0.9bn and EBITDA before special items of around DKK 100m. This expectation is unchanged compared to the latest outlook included in the Q2 2021 report.

The investment outlook for 2021 is increased from DKK 2.8bn to DKK 3.5bn following two changes. Firstly, the faster payment of the transaction price increases the outlook by DKK 0.9bn. Secondly, the outlook is lowered DKK 0.2bn by a general reduction in expected investments.

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The January 2021 presentation of the acquisition of the HSF Logistics Group is available from this [link](#)