

Q2 2023 interim report

# OUTLOOK RAISED

- Q2 performance better than expected
- Result below Q2 2022 due to temporary boost of Channel earnings in Q2 2022
- Logistics acquisitions performing well
- EBITDA outlook raised to DKK 4.8-5.2bn (DKK 4.5-5.0bn) on 14 August 2023



# Highlights Q2

## Q2 2023

- EBITDA decreased 5% to DKK 1.4bn
- Adjusted free cash flow DKK 601m
- NIBD reduced 4% from Q1 2023
- CO2 emissions 8% lower per GT nautical mile

## Outlook 2023

- EBITDA raised to DKK 4.8-5.2bn
- Revenue around same level as 2022
- Investments of DKK 1.6bn

“We have raised our outlook as we continued to deliver strong operational performance in Q2, and despite headwind in some regions, we achieved a result that was better than expected.”

**Torben Carlsen, CEO**

Q2 revenue decreased 3.2% to DKK 6.9bn but increased 2.5% adjusted for bunker surcharges, driven by higher passenger and logistics revenue. Freight ferry revenue was below last year as lower volumes were partly offset by higher rates.

Q2 EBITDA decreased 5% to DKK 1,404m. The freight ferry EBITDA of DKK 754m was 20% lower than last year as Q2 2022 earnings were boosted by elevated Channel earnings and exceptionally high levels of oil price spreads, that have now normalised. Moreover, Q2 2023 volumes were lower than last year. The Q2 passenger EBITDA increased 28% to DKK 350m as results were improved across the route network. Logistics Division's EBITDA increased 26% to DKK 345m driven by acquisitions.

For the first half-year (H1), revenue increased 2% to DKK 13.3bn compared to the same period last year and H1 EBITDA increased 5% to DKK 2,413m. EBITDA was DKK 5,090m for the last twelve months (LTM, 2022-23).

The Q2 adjusted free cash flow was DKK 601m and DKK 1,455m for the last twelve months (LTM). Net interest-bearing debt (NIBD) was reduced 4% from Q1 2023 on the back of the positive cash flow.

## Outlook 2023

The EBITDA outlook is raised to DKK 4.8-5.2bn (previously DKK 4.5-5.0bn) following better than expected H1 financial performance. Revenue is overall still expected to remain at the same level as 2022. The outlook is detailed on page 9.

## KEY FIGURES

DKK m	2023 Q2	2022 Q2	Change, %	2022-23 LTM	2021-22 LTM	Change, %	2022 Full-year
Revenue	6,942	7,170	-3	27,148	23,102	18	26,873
<b>Operating profit before depreciation (EBITDA)</b>	<b>1,404</b>	<b>1,474</b>	<b>-5</b>	<b>5,090</b>	<b>3,987</b>	<b>28</b>	<b>4,974</b>
Operating profit before amortization (EBITA)	765	874	-13	2,658	1,841	44	2,603
Operating profit (EBIT)	718	841	-15	2,500	1,722	45	2,468
<b>Profit before tax</b>	<b>560</b>	<b>760</b>	<b>-26</b>	<b>2,020</b>	<b>1,459</b>	<b>38</b>	<b>2,139</b>

## 15 August 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 Q2	2022 Q2	2023 H1	2022 H1	2022-23 LTM	2022 Full-year
<b>Income statement</b>						
Revenue	6,942	7,170	13,282	13,007	27,148	26,873
• Ferry Division	4,176	4,544	7,997	8,026	16,802	16,831
• Logistics Division	3,088	2,979	5,937	5,644	11,716	11,423
• Non-allocated items	177	153	354	315	664	624
• Eliminations	-500	-507	-1,006	-978	-2,033	-2,006
Operating profit before depreciation (EBITDA)	1,404	1,474	2,411	2,295	5,090	4,974
• Ferry Division	1,103	1,218	1,830	1,816	3,999	3,984
• Logistics Division	345	274	643	491	1,219	1,066
• Non-allocated items	-44	-18	-62	-11	-127	-76
Operating profit before amortisation (EBITA)	765	874	1,168	1,113	2,658	2,603
Operating profit (EBIT)	718	841	1,080	1,048	2,500	2,468
Financial items, net	-158	-81	-291	-140	-481	-329
Profit for the period	539	704	669	819	1,870	2,019
<b>Capital</b>						
Total assets	-	-	35,423	33,457	-	34,084
Equity	-	-	13,245	12,168	-	13,135
Net interest-bearing debt	-	-	15,193	13,646	-	14,109
Invested capital, end of period	-	-	28,856	26,143	-	27,554

DKK m	2023 Q2	2022 Q2	2023 H1	2022 H1	2022-23 LTM	2022 Full-year
<b>Cash flows</b>						
Cash flows from operating activities	1,049	1,485	2,089	2,202	4,368	4,480
Cash flows from investing activities	-253	-558	-1,777	-1,511	-3,256	-2,989
Free cash flow	796	927	312	691	1,112	1,491
Adjusted free cash flow	601	732	859	229	1,455	825
<b>Key operating and return ratios</b>						
Average number of employees (FTE)	-	-	12,795	11,171	11,842	11,510
Revenue growth (reported), %	-3.2	67.2	2.1	60.0	1.0	47.0
EBITDA-margin, %	20.2	20.6	18.2	17.6	18.7	18.5
EBITA-margin, %	11.0	12.2	8.8	8.6	9.8	9.7
EBIT-margin, %	10.3	11.7	8.1	8.1	9.2	9.2
Return on invested capital (ROIC), %, LTM	-	-	8.4	6.3	8.4	8.7
ROIC before acquisition intangibles, %, LTM	-	-	11.4	8.5	11.4	11.7
Return on equity, %	-	-	-	-	14.8	16.4
<b>Key capital and per share ratios</b>						
Financial leverage, times	-	-	2.9	3.3	2.9	2.8
Equity ratio, %	-	-	37.4	36.4	-	38.5
Earnings per share (EPS), DKK	9.53	12.23	11.77	14.17	32.75	35.09
Dividend paid per share, DKK	0	0	5.00	4.00	-	8.00
Number of shares, end of period, '000	-	-	58,632	58,632	-	58,632
Share price, DKK	-	-	248.4	214.6	-	256.4

Definitions on page 30.



# ESG key figures

		2023	2022	2023	2022	2022-23	2022
	Unit	Q2**	Q2*	H1**	H1*	LTM	Full-year*
<b>Environmental data</b>							
Total distance sailed	Nautical miles	1,437,821	1,498,250	2,805,881	2,925,126	5,779,190	5,839,619
<b>CO2 emissions</b>							
CO2 emissions per GT nautical mile (Own fleet)	gCO2	12.0	12.6	12.2	12.9	12.2	12.5
CO2 emissions per GT nautical mile (Route network)	gCO2	12.1	13.1	12.4	13.4	12.6	13.0
<b>Energy consumption</b>							
Total fuel consumption (Route network)	Tonnes	185,593	214,116	370,489	414,312	770,992	799,515
<b>Oil spills</b>							
Spills (>1 barrel)	Number	0	0	0	0	0	0
<b>Social data</b>							
<b>Representation of women</b>							
Total workforce:	%	-	-	24	24	-	24
Non-officed based	%	-	-	13	13	-	12
Office based	%	-	-	44	43	-	43
Senior management	%	-	-	15	15	-	16
Managers	%	-	-	17	15	-	14
<b>Safety at sea</b>							
Lost-time injury frequency (LTIF)	Incidents/mio. hours	1.9	4.8	3.4	4.6	4.0	4.5
<b>Safety on land</b>							
Lost-time injury frequency (LTIF)	Incidents/mio. hours	7.8	6.0	9.6	8.3	8.6	7.9
<b>Fatalities</b>							
Colleagues	Accidents	0	0	0	0	1	1
Contractors	Accidents	0	0	1	0	1	0
<b>Governance data</b>							
Representation of women in the Board (AGM elected members)	%	-	-	33	33	-	33
Board nationality - non-Danish (AGM elected members)	%	-	-	33	33	-	33
Independent directors (AGM elected members)	%	-	-	83	83	-	83
Attendance at Board meetings (All Board members)	%	100	100	100	98	100	99
Whistle-blower reporting	Cases	15	3	31	14	50	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 ESG data excludes McBurney Transport Group (acquired in February 2023).

Definitions on page 31



# Management review

## Market overview

Freight volumes generally remained soft in Q2 as living costs were increased by continued high inflation which lowered demand for goods. Energy prices declined in the quarter and contributed to some easing in European inflation levels. Europe's growth outlook for the rest of the year stabilised during the quarter and the likelihood of a further growth slowdown in the rest of the year decreased.

The lower demand continued to ease bottlenecks in European supply chains as haulage capacity remained in place. Certain sectors still face some challenges from shortages of industrial parts and raw materials as well as staff. The automotive sector continues to fulfil demand backlogs.

The growth of Türkiye's economy in Q2 2023 was stalled by the election process and lower demand in Europe, including Germany. Interest rates were raised post the election as part of a renewed approach to reduce inflation. The long-term growth outlook remains positive as nearshoring of manufacturing is expected to underpin growth in the country's export sector.

The year-on-year recovery in ferry passenger volumes continued in Q2 across northern Europe as Covid-19 travel restrictions were still in place in some regions for parts of Q2 2022.

The main changes in average exchange rates in Q2 2023 vs Q2 2022 were depreciation of TRY/DKK by 26%, NOK/DKK by 14%, and SEK/DKK by 8%.

## Major events in Q2

No major events to report.

## Major events after Q2

### Dutch acquisition expands transport network

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

Estron Group transports dry goods in trailers by road and ferry between mainly the UK and Germany, Benelux, and Poland. Both full- and part-load transports are provided based on a leased fleet of 300 trailers. Haulage is subcontracted. Warehousing, cross-docking, and logistics services are provided from a 58,000m<sup>2</sup> leased warehouse located in the Port of Rotterdam. The company has 130 employees and the annual revenue in 2022 was EUR 50m.

Estron Group expands DFDS' transport network by adding road transport capacity to the existing full-load operation to and from the UK that combines road and ferry transport. In addition, Estron Group's part-load and warehousing operations complements the existing similar operation based in Wijchen, Netherlands. The acquisition is expected to generate both commercial and operational synergies.

Closing is expected in August 2023. The transaction is not subject to regulatory approval.

### Turkish competition clearance obtained for possible transaction

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

The filing was made as part of a strategic dialogue between DFDS and Ekol Logistics, a major Turkish transport and logistics company, initiated to explore a possible acquisition of Ekol Logistics' international road haulage activities. Such a combination of ferry and logistics activities in the Mediterranean network would mirror DFDS' proven northern European business model.

As part of the review process, DFDS has undertaken commitments in relation to the continued access for all logistics operators to DFDS' ferry routes to/from Türkiye.

The strategic dialogue, including a due diligence process, continues with a view to finalising the transaction terms subject to Board approval.

## ESG actions and plans

### Environment

Q2 marked the launch of a DFDS Decarbonised Solutions platform that allows customers to purchase Scope 3 CO2 reduction certificates linked to DFDS' transport network. The certificates document emission reductions from the use of biofuel and electricity in both ferry and land transport. During the quarter, the platform was initially introduced to a select group of customers. The platform will be rolled out more widely during the rest of the year.

Continued improvements in the quarter across both the Ferry Division and the Logistics Division ensured that short-term emission reductions targeted towards 2030 are on track. Ferry improvements were driven by various incremental vessel upgrades and focus on schedule optimisation.

Ferry emissions were reduced in Q2 compared to Q2 2022 as CO2 emissions per GT nautical mile were 8% lower.

Logistics decarbonisation initiatives were focused on further deployment of electric trucks, installation of charging stations, and continued development of a more robust data foundation for the green transition. 45 electric trucks were deployed by the end of Q2 2023.

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

### Social

#### Diversity, Equity & Inclusion (DE&I)

The total female workforce representation of 24% in H1 2023 was maintained on level with H1 2022 as the workforce increased by 1,624 FTEs in the period.

Female representation for managers increased to 17% in H1 2023 from 15% in H1 2022. For senior management, female representation was unchanged 15%.

Female representation for office staff increased one ppt to 44% in H1 2023 compared to the same period last year, and representation for non-office staff of 13% was on level with last year.

To drive DE&I, mandatory unconscious bias training has been made available to all managers. This aims to create greater awareness of biases and their impact on decision making and interactions as well as emphasise manager accountability. DE&I initiatives focused on talent, recruiting, and pipeline continued in the quarter.

#### Safety

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

The lost-time injury frequency (LTIF) for sea-based operations decreased to 1.9 in Q2 2023 from 4.8 in Q2 2022. LTIF for land-based operations increased to 7.8 in Q2 2023

from 6.0 in Q2 2022. See divisional sections for more details.

### 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 whistleblower cases increased to 15 in Q2 2023 from 3 in Q2 2022. This development reflects higher awareness about the whistleblower function driven by groupwide training programs about bullying and harassment, unconscious bias training, and the DFDS Code of Conduct.

## Financial performance

### Revenue

The Group's Q2 reported revenue was DKK 6,942m, a decrease of 3.2% compared to 2022 but an increase of 2.5% adjusted for bunker surcharges.

The Ferry Division's Q2 revenue decreased 8.1% to DKK 4,176m but increased 1.5% adjusted for bunker surcharges driven by 14.4% higher passenger revenue. Freight ferry revenue, adjusted, was 2.2% below last year as lower volumes were partly offset by higher rates..

The Logistics Division's Q2 revenue increased 3.7% to DKK 3,088m but decreased 10.7% adjusted for the acquisitions of Lucey Transport Logistics, McBurney Transport Group, and D. R. MacLeod.

The Group's H1 revenue was DKK 13,282m, an increase of 2.1% compared to H1 2022.

### EBITDA

The Group's Q2 EBITDA decreased 5% or DKK 69m to DKK 1,404m following lower freight ferry earnings that offset higher passenger and logistics earnings.

Ferry Division's Q2 EBITDA decreased 9% or DKK 114m to DKK 1,103m. The EBITDA for freight ferry activities decreased 20% to DKK 754m as Channel earnings in 2022 were elevated by additional volumes as a competitor suspended sailings for most of Q2 2022. In addition, excep-

### Revenue

DKK m	Q2 2023	Q2 2022	Change, %	Change
Ferry Division	4,176	4,544	-8.1	-368
Logistics Division	3,088	2,979	3.7	109
Non-allocated items	177	153	15.7	24
Eliminations	-500	-507	1.3	7
<b>DFDS Group</b>	<b>6,942</b>	<b>7,170</b>	<b>-3.2</b>	<b>-228</b>

tionally high levels of oil price spreads temporarily lowered the net bunker cost in Q2 2022. Oil price spread levels normalised during Q1 2023. Freight earnings were in Q2 2023 moreover reduced by lower volumes in most network regions. The EBITDA for passenger activities across the network increased 28% to DKK 350m driven mainly by higher volumes.

Logistics Division's Q2 EBITDA increased 26% or DKK 70m to DKK 345m following a positive impact from acquisitions. EBITDA was 3% below last year adjusted for acquisitions primarily due to decreasing volumes and rate levels through the quarter.

The Group's H1 EBITDA increased 5% to DKK 2,413m while the EBITDA for the last twelve months was DKK 5,090m.

### EBITA and EBIT

Depreciation in Q2 of DKK 636m was 6% or DKK 35m higher than last year driven mainly by the addition of three acquired logistics companies.

The Group's Q2 EBITA decreased 13% or DKK 110m to DKK 765m. Amortisation in Q2 increased 41% to DKK 47m following addition of three acquired logistics companies. H1 EBITA increased 5% to DKK 1,169m. The Group's Q2 EBIT decreased 15% or DKK 123m to DKK 718m and for H1 EBIT increased 3% to DKK 1,080m.

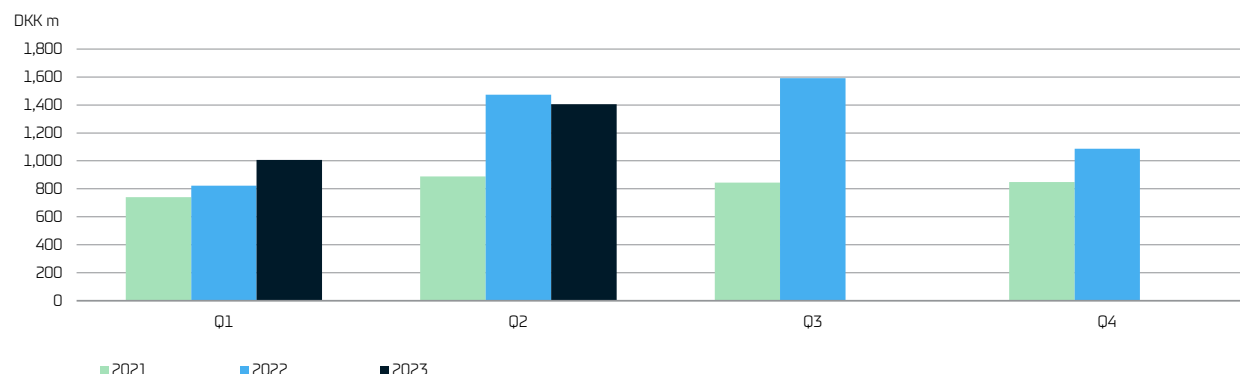
### Financial items

Total net financial items in Q2 was a cost of DKK 158m, an increase of 95% or DKK 77m compared to Q2 2022. The net interest cost increased DKK 83m as interest-bearing debt increased 3% compared to last year and the average borrowing rate doubled. Lease liabilities increased 23% compared to last year and the lease interest rate also increased considerably.

Total net financial items in H1 was a cost of DKK 291m, an increase of 108% or DKK 151m compared to H1 2022.

### Profit before and after tax

The Q2 profit before tax decreased 26% or DKK 200m to DKK 560m. The tax cost was DKK 21m and the profit for the period was DKK 539m, a decrease of 24% compared to 2022.

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

DKK m	Q2 2023	Q2 2022	Change, %	Change
Ferry Division	1,103	1,218	-9.4	-114
Logistics Division	345	274	25.6	70
Non-allocated items	-44	-18	n.a.	-25
<b>DFDS Group</b>	<b>1,404</b>	<b>1,474</b>	<b>-4.7</b>	<b>-69</b>
EBITDA-margin, %	20.2	20.6	n.a.	-0.3

**EBITA and EBIT**

DKK m	Q2 2023	Q2 2022	Change, %	Change
EBITDA	1,404	1,474	-4.7	-69
Associates and joint ventures	-5	-2	n.a.	-4
Profit/loss on disposals	2	4	-44.2	-2
Depreciation and impairment	-636	-601	-5.8	-35
<b>EBITA</b>	<b>765</b>	<b>874</b>	<b>-12.5</b>	<b>-110</b>
Amortisation	-47	-33	-41.4	-14
<b>EBIT</b>	<b>718</b>	<b>841</b>	<b>-14.7</b>	<b>-123</b>

**Financial items**

DKK m	Q2 2023	Q2 2022	Change, %	Change
Interests, net	-164	-81	-103.1	-83
Foreign exchange gains/losses, net	14	7	95.3	7
Other items, net	-8	-7	-4.9	0
<b>Total finance, net</b>	<b>-158</b>	<b>-81</b>	<b>-94.9</b>	<b>-77</b>

The H1 profit before tax decreased 13% to DKK 789m and the H1 profit for the period was DKK 669m.

**Earnings per share**

Q2 earnings per share (EPS) decreased 22% to DKK 9.53 from DKK 12.23 in Q2 2022, and for H1 EPS decreased 17% to DKK 11.77.

**Cash flow and investments**

The Q2 cash flow from operating activities decreased 29% to DKK 1,049m compared to Q2 2022 following a lower operating result, a negative cash flow from working capital due to mainly lower payables related to oil prices, and higher net finance payments. Net investments in Q2 totalled a negative cash flow of DKK 253m resulting in a positive free cash flow of DKK 796m. This included a cash flow of DKK -33m related to acquisitions.

The Q2 cash flow from financing activities was negative by DKK 748m, including a net loan outflow of DKK 520m and payment of lease liabilities of DKK 231m. The net increase in cash was DKK 48m and at the end of Q2 2023 cash amounted to DKK 1,092m.

The Q2 adjusted free cash flow (FCFE) was DKK 601m compared to DKK 732m in Q2 2022. The LTM Q2 adjusted free cash flow (FCFE) was DKK 1,455m compared to DKK 825m for full-year 2022.

The H1 cash flow from operating activities was DKK 2,089m and the free cash flow was DKK 312m. Net investments in H1 was an outflow of DKK 1,777m, includ-



ing acquisitions of DKK 982m. The cash flow from financing activities was a net outflow of DKK 408m bringing the net cash flow for H1 to an outflow of DKK 96m.

The H1 adjusted free cash flow (FCFE) was DKK 859m compared to DKK 229m in H1 2022.

### Invested capital and ROIC

Invested capital increased 10% to DKK 28.9bn at the end of Q2 2023 compared to Q2 2022. The majority of the increase was due to logistics acquisitions and chartering of ferries, including contract extensions.

The return on invested capital, ROIC, before acquisition intangibles was 11.4% up from 8.5% in Q2 2022, and ROIC increased to 8.4% from 6.3% in Q2 2022.

### Capital structure

At the end of Q2 2023 net-interest-bearing debt (NIBD) was reduced 4% to DKK 15.2bn from the end of Q1 2023. NIBD was 8% above the end of 2022 due to mainly the acquisition of McBurney Transport Group completed in Q1 2023.

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

### Equity

Equity amounted to DKK 13,245m at the end of Q2 2023, including non-controlling interests of DKK 118m, an increase of 1% compared to the end of 2022. Total compre-

### Outlook 2023

DKK m	New outlook 2023	Previous outlook 2023	2022
Revenue growth	On level	On level	26,873
EBITDA	4,800-5,200	4,500-5,000	4,955
Per division:			
Ferry Division	3,650-3,900	3,350-3,650	3,966
Logistics Division	1,250-1,400	1,200-1,400	1,066
Non-allocated items	-100	-50	-76
Investments	-2,800	-2,800	-2,989
Types:			
Operating	-1,600	-1,600	-1,838
Ferries: sale & purchase and new-buildings	0	0	-871
Acquisitions	-1,200	-1,200	-280

hensive income for H1 2023 was DKK 676m while transactions with owners was DKK -566m, including a dividend of DKK 281m and a share buyback of DKK 300m.

The equity ratio was 37% at the end of Q2 2023 compared to 39% at year-end 2022.

### Outlook 2023

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

#### Key freight outlook assumptions for 2023

Freight ferry volumes in northern Europe are overall in H2 expected to be slightly below or around last year's level as market conditions become more comparable, particularly in the Channel and Baltic Sea regions. Mediterranean

freight volumes are expected to be flat in the second half-year.

Activity levels for land transport and logistics solutions are expected to be below or around last year's levels.

#### Key passenger outlook assumptions for 2023

Passenger volumes are expected to increase less in H2 than in H1 as travel restrictions were mostly removed by the end of Q2 2022. Passenger earnings are expected to overall increase in 2023.

#### Revenue outlook

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

### Earnings outlook

Based on H1 financial performance above expectations and the above assumptions, the Group's EBITDA is expected to be within a range of DKK 4.8-5.2bn compared to previously 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.

### Various risks and uncertainties pertain to the outlook

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

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

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

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

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

Future financial results may therefore differ significantly from outlook expectations.

### Passenger spending increased

Passenger earnings continued to grow in Q2 helped by higher average spending per passenger. Awareness of the benefits of duty-free sales on UK routes is growing. Duty-free sales are available on board and from border shops in the Calais and Dunkirk ports.



# Ferry Division

- North Sea and Mediterranean networks stable
- Baltic Sea impacted by war in Ukraine
- Channel boosted in 2022 by competitor's suspension of sailings
- Passenger recovery continued
- 8% lower CO2 emissions per GT nautical mile

## Q2 volumes and activity changes

Total Q2 freight volumes decreased 15.0% compared to Q2 2022 driven by significant decreases in the Baltic Sea and Channel route networks. Baltic Sea volumes were 19.5% lower following a negative impact from the war in Ukraine as the war's impact on volumes did not fully materialise until after the summer of 2022.

Channel volumes were down 25.6% as additional volumes were transported in 2022 due to a competitor's suspension of most sailings in Q2 2022. The total Dover Strait market contracted 1.4% in the quarter, including a 2.3% increase in June.

## Ferry Division

DKK m	2023	2023	2023	2022		2022			2022-23	2022
	Q1	Q2	H1	H1	Q1	Q2	Q3	Q4	LTM	Full-year
Revenue	3,820	4,176	7,997	8,026	3,482	4,544	4,753	4,052	16,802	16,831
Freight	3,312	3,270	6,581	6,923	3,172	3,752	3,503	3,423	13,507	13,849
Passenger	508	907	1,415	1,103	310	793	1,250	629	3,294	2,982
Operating costs	-2,248	-2,188	-4,436	-4,650	-2,130	-2,520	-2,541	-2,349	-9,327	-9,541
Ferry operations	-527	-495	-1,022	-854	-457	-397	-505	-528	-2,054	-1,886
Bunker	-752	-713	-1,465	-1,952	-817	-1,135	-1,135	-942	-3,542	-4,030
Port terminal operations	-793	-796	-1,589	-1,536	-722	-814	-765	-690	-3,044	-2,991
Transport and warehouse solutions	-176	-184	-360	-308	-134	-174	-137	-190	-686	-634
Employee costs	-630	-639	-1,269	-1,145	-544	-601	-609	-609	-2,487	-2,363
Sales, general and administration	-216	-246	-462	-415	-209	-206	-293	-235	-990	-943
EBITDA	727	1,103	1,830	1,816	598	1,218	1,310	859	3,999	3,984
Freight	717	754	1,471	1,633	689	944	722	728	2,922	3,083
Passenger	9	350	359	183	-91	274	587	131	1,077	901
Other income/costs, net	-4	-8	-12	-3	-2	-2	-5	-3	-20	-12
Depreciation and impairment	-430	-445	-875	-892	-435	-456	-442	-445	-1,762	-1,778
EBIT	293	651	943	921	161	760	863	411	2,217	2,194
Amortisation	-9	-9	-19	-19	-10	-10	-10	-9	-38	-38
EBIT	283	642	925	902	151	750	854	401	2,180	2,156
Invested capital, end of period	21,390	21,310	21,310	20,566	21,026	20,566	21,113	21,418	21,310	21,418
EBITDA-margin, %	19.0	26.4	22.9	22.6	17.2	26.8	27.6	21.2	23.8	23.7
EBIT-margin, %	7.7	15.6	11.8	11.5	4.6	16.7	18.2	10.1	13.2	13.0
EBIT-margin, %	7.4	15.4	11.6	11.2	4.3	16.5	18.0	9.9	13.0	12.8
Gross Capex (excl. acquisitions and leases)	438	150	588	1,163	836	328	621	247	1,455	2,031
ROIC before acquisition intangibles, %, LTM	-	-	12.7	8.5	-	-	-	-	12.7	12.6
ROIC, %, LTM	-	-	10.1	6.6	-	-	-	-	10.1	10.0
Average number of employees	-	-	6,432	5,913	-	-	-	-	6,172	6,138
Number of ships	-	-	65	66	-	-	-	-	-	64
Lane metres, '000	9,647	9,795	19,443	22,140	10,617	11,523	9,915	9,692	39,049	41,746
North Sea *	3,508	3,600	7,108	7,325	3,625	3,701	3,465	3,421	13,995	14,212
Mediterranean	1,345	1,375	2,720	2,789	1,363	1,426	1,329	1,448	5,497	5,566
Channel	3,993	4,026	8,019	10,040	4,629	5,410	4,220	3,904	16,143	18,164
Baltic Sea	802	794	1,596	1,986	999	986	900	918	3,414	3,804
Capacity utilisation freight, %	59	56	57	67	66	68	56	57	58	61
Number of cars, '000	152	301	453	409	100	309	508	208	1,168	1,124
Passengers, '000	619	1,205	1,825	1,268	283	984	1,704	801	4,329	3,772

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



Volumes in the North Sea network were 2.2% below 2022 due to mainly a temporary reduction in fruit/vegetable exports to the UK from the Continent while automotive volumes remained robust. Mediterranean volumes were 2.0% below 2022, adjusted for route changes, as activity levels were lowered by the election process, lower demand from Europe, especially Germany, and congestion in the Mersin port.

Total Q2 passenger volumes increased 24% to 1.2m compared to 2022 as volumes continued recover from the Covid-19 travel restrictions that were still in place in some markets in Q2 2022. The Q2 2023 volumes were at index 87 compared to Q2 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 84 which was above the index for the total Dover Strait market.

### Financial performance

Q2 revenue decreased 8.1% to DKK 4,176m compared to 2022 but increased 1.5% adjusted for bunker surcharges. Passenger revenue increased 14.4% driven by the growth in passenger volumes. Freight ferry revenue, adjusted, was 2.2% below 2022 as higher rates partly offset the revenue impact of the volume decrease.

EBITDA decreased 9% or DKK 114m to DKK 1,103m as lower freight earnings offset higher passenger earnings. The passenger EBITDA increased DKK 76m to DKK 350m while the freight ferry EBITDA decreased 20% to DKK 754m as earnings in 2022 were elevated by the

suspension of sailings by a competitor. In addition, exceptionally high levels of oil price spreads temporarily lowered the net bunker cost in Q2 2022. Oil price spread levels started to normalise during Q1 2023. Freight earnings were in Q2 2023 moreover reduced by 7.2% lower volumes, excluding Channel volumes.

EBITA decreased 14% or DKK 109m to DKK 651m.

The invested capital at the end of Q2 2023 increased 4% to DKK 21.3bn compared to Q2 2022. The invested capital was DKK 17.3bn excluding acquisition intangibles.

The return on invested capital, ROIC, before acquisition intangibles was 12.7% up from 8.5% in Q2 2022, and ROIC increased to 10.1% from 6.6% in Q2 2022.

### Continued improvement of CO2 efficiency

The improvement of fuel efficiency continued in Q2 2023. CO2 emissions per GT nautical mile decreased across the entire route network, including both owned and chartered vessels. Own fleet emissions were reduced 4.8% to 12.0 gCO2 per GT NM from 12.6 gCO2 per GT NM in Q2 2022. Emissions from the entire route network decreased 7.8%

to 12.1 gCO2 per GT NM from 13.1 gCO2 per GT NM in Q2 2022.

### Decarbonisation activities

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

The schedule optimisation program also continued in Q2 to reduce sailing speed and thereby fuel consumption and CO2 emissions. Combinations of lower sailing speed and more time spent at sea can reduce emissions with up to 10% with only limited impacts on schedules and customer lead times.

The long-term target of net-zero emissions will be achieved by development and deployment of green vessels. A first milestone is to deploy a green freight ferry in the route network by 2025. The first green vessel is expected to be a retrofit project and the technical and commercial conditions were further advanced in the quarter.

### Ferry Division

	2023		2023	2022	2022				2022-23	2022
	Q1	Q2	H1	H1	Q1	Q2	Q3	Q4	LTM	Full-year
Representation of women, Sea, %	19	20	20	19	18	19	20	19	-	19
Representation of women, Land, %	30	31	31	30	29	30	30	30	-	30
Lost-time injury frequency (LTIF), Sea*	4.3	1.9	3.4	4.6	3.8	4.8	5.2	3.4	4.0	4.5
Lost-time injury frequency (LTIF), Land*	14.9	14.1	14.5	10.8	14.2	7.7	13.6	8.1	12.9	11.1

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



### **Social performance**

Female representation increased for both land-based and sea-based staff. The land-based operation increased its female representation by one ppt from 30% in Q2 2022 to 31% in Q2 2023. Representation for sea-based employees also increased one ppt to 20% in Q2 2023 from 19% in Q2 2022.

The sea-based LTIF was reduced to 1.9 in Q2 2023, the lowest level in the last three years, from 4.8 in Q2 2022.

The land-based LTIF increased to 14.1 in Q2 2023 from 7.7 in Q2 2022. Most incidents were rooted in unsafe behaviour and 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 on locations with the highest levels of LTIF continued in the quarter. Implementation of a new health & safety system for port terminals will commence in the second half-year.

# Logistics Division

- Q2 EBITDA maintained close to 2022 despite market decline (excluding acquisitions)
- Cost base adjusted to market changes
- Slowdown in UK-Scandinavia/Continent trade
- Cold chain meat exports decreased

## Q2 overview and activity changes

International full load volumes to and from the UK decreased in the quarter as did transports of construction materials. Volumes between Scandinavia and the Continent continued to be above last year. Cold chain export meat volumes from Denmark and the Netherlands decreased while UK domestic seafood volumes were above last year. The overall volume slowdown in the general freight market contributed to a further improvement of the supply/demand balance in the haulage market as well as increased price pressure.

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

## Logistics Division

DKK m	2023		2022		2022				2022-23	2022
	Q1	Q2	H1	H1	Q1	Q2	Q3	Q4	LTM	Full-year
Revenue	2,849	3,088	5,937	5,644	2,666	2,979	2,947	2,832	11,716	11,423
Dry Goods	1,562	1,586	3,147	3,037	1,418	1,618	1,553	1,569	6,269	6,158
Cold Chain	1,278	1,487	2,764	2,600	1,251	1,349	1,388	1,252	5,404	5,240
Operating costs										
Transport and warehousing costs	-1,864	-1,917	-3,780	-3,934	-1,850	-2,084	-2,045	-1,925	-7,750	-7,904
Gross profit	985	1,172	2,157	1,710	816	894	902	907	3,966	3,520
Sales, general and administration	-169	-179	-349	-300	-158	-142	-116	-84	-548	-499
Employee costs	-517	-648	-1,165	-920	-442	-478	-490	-545	-2,200	-1,955
EBITDA	299	345	643	491	216	274	297	278	1,219	1,066
Other income/costs, net	4	5	9	-1	-5	4	3	10	22	12
Depreciation and impairment	-163	-180	-343	-267	-132	-135	-135	-149	-628	-551
EBITA	140	169	309	223	79	143	165	139	613	526
Amortisation	-18	-24	-42	-24	-12	-12	-13	-15	-70	-52
EBIT	122	145	267	198	68	131	152	123	542	474
Gross profit margin, %	34.6	37.9	36.3	30.3	30.6	30.0	30.6	32.0	33.9	30.8
EBITDA-margin, %	10.5	11.2	10.8	8.7	8.1	9.2	10.1	9.8	10.4	9.3
EBITA-margin, %	4.9	5.5	5.2	3.9	3.0	4.8	5.6	4.9	5.2	4.6
EBIT-margin, %	4.3	4.7	4.5	3.5	2.5	4.4	5.2	4.4	4.6	4.1
Invested capital, end of period	6,693	6,700	6,700	4,741	4,610	4,741	5,127	5,283	6,700	5,283
Gross Capex (excl. acquisitions and leases)	144	74	218	266	68	198	138	294	651	698
ROIC before acquisition intangibles, %, LTM	-	-	14.6	15.2	-	-	-	-	14.6	14.9
ROIC, %, LTM	-	-	7.5	7.8	-	-	-	-	7.5	7.7
Average number of employees	-	-	5,410	4,463	-	-	-	-	4,812	4,544

Definitions on page 30.

## Financial performance

Q2 revenue increased 3.7% to DKK 3,088m compared to 2022 and decreased 10.7% adjusted for acquisitions driven by the lower activity levels for both dry and cold chain activities and the closure of activities last year in Norway post Q2 2022.

Gross profit increased 31% or DKK 277m to DKK 1,172m and the gross profit margin improved to 34.6% from 30.0% in Q2 2022. The increase was driven mainly by a positive impact from acquisitions and cost base adjustments, including haulage capacity, in response to lower market volumes in most regions.

EBITDA increased 26% or DKK 70m to DKK 345m and decreased 3% adjusted for acquisitions.

EBITA increased 18% or DKK 26m to DKK 169m and the EBITA-margin improved to 5.5% from 4.8% in Q2 2022.

The invested capital increased 41% or DKK 2.0bn to DKK 6.7bn at the end Q2 2023. The majority of the increase was due to three 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 14.6% compared to 15.2% in Q2 2022, and ROIC was 7.5% compared to 7.8% in Q2 2022.

**Decarbonisation activities**

The first carbon in-setting products were launched at the end of Q2 towards customers enabling them to purchase CO2 reductions directly on their own transports or indirectly from other parts of DFDS’ transport network. The launch was supported by data foundation improvements for the green transition and launch of a customer-centric CO2 data dashboard.

The deployment of more electric trucks in several countries continued in Q2. An additional 18 e-trucks were deployed in Q2, bringing the total number of deployed e-trucks to 45 of the 125 ordered. The deployment of each truck requires alignment with customer needs due to the lower reach of e-trucks and availability of charging infrastructures.

**Social performance**

The share of female representation was unchanged 17% compared to the same quarter last year.

The LTIF for Q2 2023 was on a level with last year and reduced from 10.7 in Q1 2023. Part of the improvement from Q1 2023 was due to seasonal circumstances as longer days with better light conditions improves the safety of haulage activities. Focus in Q3 is on behavioural incidents related to haulage where slips, trips, and fall incidents are the main root causes. In the second half-year, all larger sites will be onboarded to a new health & safety system for logistics sites.

**Logistics Division**

	2023		2022		2022				2022-23	2022
	Q1	Q2	H1	H1	Q1	Q2	Q3	Q4	LTM	Full-year
Representation of women, Land, %*	17	17	17	17	17	17	17	17	-	17
Lost-time injury frequency (LTIF), Land*	10.7	5.7	8.7	7.8	11.2	5.7	4.1	10.1	7.9	7.5

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

# Management statement

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

The interim report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the DFDS Group's assets, liabilities, and financial position at 30 June 2023 and of the results of the DFDS Group's operations and cash flow for the period 1 January – 30 June 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, 15 August 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 Q2	2022 Q2	2023 H1	2022 H1	2022-23 LTM	2022 Full-year
Revenue	3	6,942	7,170	13,282	13,007	27,148	26,873
<b>Costs</b>							
Ferry and other ship operation and maintenance		-1,306	-1,698	-2,675	-3,103	-5,998	-6,426
Port terminal operations		-826	-840	-1,641	-1,578	-3,153	-3,090
Transport and warehouse solutions		-1,681	-1,734	-3,312	-3,286	-6,683	-6,657
Employee costs		-1,406	-1,184	-2,662	-2,259	-5,129	-4,726
Costs of sales, general and administration		-318	-239	-582	-486	-1,096	-1,000
<b>Operating profit before depreciation (EBITDA)</b>		<b>1,404</b>	<b>1,474</b>	<b>2,411</b>	<b>2,295</b>	<b>5,090</b>	<b>4,974</b>
Share of profit/loss of associates and joint ventures		-5	-2	-13	-6	-21	-14
Profit/loss on disposal of non-current assets, net		2	4	10	1	23	14
Depreciation, ferries and other ships		-357	-380	-700	-742	-1,405	-1,447
Depreciation and impairment losses, other non-current assets		-280	-221	-541	-436	-1,029	-924
<b>Operating profit before amortisation (EBITA)</b>		<b>765</b>	<b>874</b>	<b>1,168</b>	<b>1,113</b>	<b>2,658</b>	<b>2,603</b>
Amortisation		-47	-33	-88	-65	-158	-135
<b>Operating profit (EBIT)</b>		<b>718</b>	<b>841</b>	<b>1,080</b>	<b>1,048</b>	<b>2,500</b>	<b>2,468</b>
Financial income		29	12	50	37	93	80
Financial costs		-186	-93	-341	-176	-573	-409
<b>Profit before tax</b>		<b>560</b>	<b>760</b>	<b>789</b>	<b>909</b>	<b>2,020</b>	<b>2,139</b>
Tax on profit		-21	-56	-120	-90	-150	-120
<b>Profit for the period</b>		<b>539</b>	<b>704</b>	<b>669</b>	<b>819</b>	<b>1,870</b>	<b>2,019</b>
Attributable to:							
Equity holders of DFDS A/S		536	700	665	812	1,863	2,010
Non-controlling interests		3	4	4	7	7	10
<b>Profit for the period</b>		<b>539</b>	<b>704</b>	<b>669</b>	<b>819</b>	<b>1,870</b>	<b>2,019</b>
<b>Earnings per share</b>							
Basic earnings per share (EPS) of DKK 20, DKK		9.53	12.23	11.77	14.17	32.75	35.09
Diluted earnings per share (EPS-D) of DKK 20, DKK		9.51	12.22	11.75	14.15	32.71	35.04



## DFDS Group – Statement of Comprehensive income

DKK m	2023 Q2	2022 Q2	2023 H1	2022 H1	2022-23 LTM	2022 Full-year
Profit for the period	539	704	669	819	1,870	2,019
<b>Other comprehensive income</b>						
Items that will not be reclassified subsequently to the Income statement:						
Remeasurement of defined benefit pension obligations	0	0	0	0	-46	-46
<b>Items that will not be reclassified subsequently to the Income statement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-46</b>	<b>-46</b>
Items that are or may be reclassified subsequently to the Income statement:						
Value adjustment of hedging instruments:						
Value adjustment for the period	59	76	107	133	244	270
Value adjustment transferred to operating costs	-65	0	-95	0	-86	9
Value adjustment transferred to financial costs	-1	4	-5	8	-8	5
Value adjustment transferred to non-current tangible assets	0	0	0	7	0	7
Tax on items that may be reclassified to the Income statement	0	-12	0	-12	-19	-31
Foreign exchange adjustments, subsidiaries	-7	-71	0	-88	-89	-177
<b>Items that are or may be reclassified subsequently to the Income statement</b>	<b>-14</b>	<b>-4</b>	<b>7</b>	<b>47</b>	<b>42</b>	<b>82</b>
<b>Total other comprehensive income after tax</b>	<b>-14</b>	<b>-4</b>	<b>7</b>	<b>47</b>	<b>-4</b>	<b>36</b>
<b>Total comprehensive income</b>	<b>525</b>	<b>701</b>	<b>676</b>	<b>866</b>	<b>1,866</b>	<b>2,055</b>
<b>Attributable to:</b>						
Equity holders of DFDS A/S	522	697	672	859	1,858	2,045
Non-controlling interests	3	4	4	7	7	10
<b>Total comprehensive income</b>	<b>525</b>	<b>701</b>	<b>676</b>	<b>866</b>	<b>1,866</b>	<b>2,055</b>

## DFDS Group - Balance sheet

### Assets

DKK m	2023 30 June	2022 30 June	2022 31 Dec.
Goodwill	4,808	4,335	4,407
Other non-current intangible assets	2,012	1,623	1,701
Software	333	312	324
Development projects in progress	11	10	12
<b>Non-current intangible assets</b>	<b>7,165</b>	<b>6,280</b>	<b>6,444</b>
Land and buildings	675	500	559
Terminals	829	799	836
Ferries and other ships	13,060	12,992	13,186
Equipment, etc.	1,976	1,428	1,600
Assets under construction and prepayments	424	303	369
Right-of-use assets	4,824	4,004	4,648
<b>Non-current tangible assets</b>	<b>21,786</b>	<b>20,025</b>	<b>21,197</b>
Investments in associates, joint ventures and securities	2	21	13
Receivables	1	16	16
Prepaid costs	53	166	124
Deferred tax	40	23	49
Pension assets	0	35	0
Derivative financial instruments	245	201	299
<b>Other non-current assets</b>	<b>340</b>	<b>463</b>	<b>500</b>
<b>Non-current assets</b>	<b>29,291</b>	<b>26,768</b>	<b>28,141</b>
Inventories	306	422	324
Trade receivables	3,543	3,789	3,343
Receivables from associates and joint ventures	25	26	23
Other receivables	657	582	649
Prepaid costs	411	305	368
Derivative financial instruments	98	37	48
Cash	1,092	1,528	1,189
<b>Current assets</b>	<b>6,132</b>	<b>6,689</b>	<b>5,943</b>
<b>Assets</b>	<b>35,423</b>	<b>33,457</b>	<b>34,084</b>

### Equity and liabilities

DKK m	2023 30 June	2022 30 June	2022 31 Dec.
Share capital	1,173	1,173	1,173
Reserves	-298	-339	-284
Retained earnings	12,253	11,223	12,133
<b>Equity attributable to equity holders of DFDS A/S</b>	<b>13,127</b>	<b>12,057</b>	<b>13,022</b>
Non-controlling interests	118	111	114
<b>Equity</b>	<b>13,245</b>	<b>12,168</b>	<b>13,135</b>
Interest-bearing liabilities	8,129	9,111	8,481
Lease liabilities	4,069	3,269	3,916
Deferred tax	457	353	359
Pension and jubilee liabilities	77	80	88
Other provisions	42	61	44
Derivative financial instruments	32	28	8
<b>Non-current liabilities</b>	<b>12,804</b>	<b>12,902</b>	<b>12,896</b>
Interest-bearing liabilities	3,390	2,097	2,349
Lease liabilities	850	723	788
Trade payables	3,429	4,025	3,661
Payables to associates and joint ventures	15	17	12
Other provisions	75	108	52
Corporation tax	224	141	170
Other payables	807	743	756
Derivative financial instruments	46	78	40
Prepayments	538	455	223
<b>Current liabilities</b>	<b>9,374</b>	<b>8,388</b>	<b>8,053</b>
<b>Liabilities</b>	<b>22,178</b>	<b>21,289</b>	<b>20,949</b>
<b>Equity and liabilities</b>	<b>35,423</b>	<b>33,457</b>	<b>34,084</b>

## DFDS Group - Statement of changes in equity 1 January - 30 June 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
<b>Comprehensive income for the period</b>								
Profit for the period					665	665	4	669
<b>Other comprehensive income</b>	0	0	7	0	0	7	0	7
<b>Total comprehensive income</b>	0	0	7	0	665	672	4	676
<b>Transactions with owners:</b>								
Dividend paid					-293	-293		-293
Dividend on treasury shares					12	12		12
Share-based payments					15	15		15
Share buyback				-21	-279	-300		-300
<b>Transactions with owners</b>	0	0	0	-21	-545	-566	0	-566
<b>Equity at 30 June 2023</b>	<b>1,173</b>	<b>-543</b>	<b>293</b>	<b>-49</b>	<b>12,253</b>	<b>13,127</b>	<b>118</b>	<b>13,245</b>

## DFDS Group - Statement of changes in equity 1 January - 30 June 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
<b>Comprehensive income for the period</b>								
Profit for the period					812	812	7	819
<b>Other comprehensive income</b>	0	-88	147	0	-12	48	0	47
<b>Total comprehensive income</b>	0	-88	147	0	800	859	7	866
<b>Transactions with owners:</b>								
Addition related to acquisition, non-controlling interests					1	1	-1	0
Dividend paid					-229	-229		-229
Dividend paid, non-controlling interests						0	-3	-3
Share-based payments					12	12		12
Purchase of treasury shares				-2	-30	-32		-32
<b>Transactions with owners</b>	0	0	0	-2	-246	-248	-4	-252
<b>Equity at 30 June 2022</b>	<b>1,173</b>	<b>-454</b>	<b>143</b>	<b>-28</b>	<b>11,223</b>	<b>12,057</b>	<b>111</b>	<b>12,168</b>

## DFDS Group – Statement of cash flows

DKK m	Note	2023 Q2	2022 Q2	2023 H1	2022 H1	2022-23 LTM	2022 Full-year
<b>Operating profit before depreciation (EBITDA)</b>		<b>1,404</b>	<b>1,474</b>	<b>2,411</b>	<b>2,295</b>	<b>5,090</b>	<b>4,974</b>
Adjustments for non-cash operating items, etc.		19	1	38	18	64	45
Change in working capital		-124	99	53	127	-68	6
Payment of pension liabilities and other provisions		-11	-9	-19	-17	-98	-97
Interest received, etc.		14	11	27	14	68	50
Interest paid, etc.		-200	-95	-334	-172	-555	-388
Taxes paid		-53	5	-87	-64	-133	-109
<b>Cash flow from operating activities</b>		<b>1,049</b>	<b>1,485</b>	<b>2,089</b>	<b>2,202</b>	<b>4,368</b>	<b>4,480</b>
Investments in ferries including dockings, etc.		-117	-263	-509	-1,047	-1,209	-1,747
Sale of ferries		0	0	0	21	0	21
Investments in other non-current tangible assets		-110	-276	-300	-431	-896	-1,026
Sale of other non-current tangible assets		23	19	52	34	131	113
Investments in non-current intangible assets		-17	-18	-37	-32	-75	-70
Acquisition of enterprises, associates, joint ventures, and activities (incl. earn-out), net of cash acquired	4	-33	-21	-982	-56	-1,206	-280
Divestment of enterprises and associates		0	0	0	0	-2	-2
Other investing cash flows		0	0	-1	0	2	3
<b>Cash flow from investing activities</b>		<b>-253</b>	<b>-558</b>	<b>-1,777</b>	<b>-1,511</b>	<b>-3,256</b>	<b>-2,989</b>
<b>Free cash flow</b>		<b>796</b>	<b>927</b>	<b>312</b>	<b>691</b>	<b>1,112</b>	<b>1,491</b>
Proceed from bank loans and loans secured by mortgage in ferries		16	500	1,422	2,101	3,224	3,903
Repayment and instalments of bank loans and loans secured by mortgage in ferries		-536	-562	-1,795	-1,352	-3,075	-2,632
Proceed from issuance of corporate bonds		0	0	981	0	981	0
Repayment of corporate bonds incl. settlement of cross currency swap		0	0	0	0	-1,000	-1,000
Payment of lease liabilities		-231	-220	-441	-524	-880	-963
Settlement of forward exchange contracts related to leases		3	4	6	6	15	15
Acquisition of treasury shares and share buyback		0	0	-300	-32	-300	-32
Other financing cash flows		0	2	0	-31	-2	-33
Dividends paid to non-controlling interests		0	-3	0	-3	0	-3
Dividends paid to equity holders of DFDS A/S		0	0	-281	-229	-511	-459
<b>Cash flow from financing activities</b>		<b>-748</b>	<b>-280</b>	<b>-408</b>	<b>-64</b>	<b>-1,547</b>	<b>-1,203</b>
<b>Net cash flow</b>		<b>48</b>	<b>647</b>	<b>-96</b>	<b>627</b>	<b>-435</b>	<b>288</b>
Cash and cash equivalents at beginning of period		1,045	882	1,189	902	1,528	902
Foreign exchange and value adjustments of cash and cash equivalents		-1	-1	0	-1	-1	-2
<b>Cash and cash equivalents at end of period *</b>		<b>1,092</b>	<b>1,528</b>	<b>1,092</b>	<b>1,528</b>	<b>1,092</b>	<b>1,189</b>

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



## Note 1 Accounting policies and significant estimates

### Basis of reporting

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

### Accounting policies

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

### Special Items

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

### Introducing EBITA as a new sub-total

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

### Implementation of new or changed accounting standards and interpretations

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

### Significant estimates

In the view of Management, the areas where accounting estimates and assessments are significant remain the same as per DFDS' latest annual report. However, considering the war in Ukraine and the current macro-economic environment certain significant estimates have been revisited in H1 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 H1 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
<b>H1 2023</b>				
External revenue	7,384	5,893	6	13,282
Intragroup revenue	613	44	348	1,006
Total revenue	7,997	5,937	354	14,288
<b>Operating profit before depreciation (EBITDA)</b>	<b>1,830</b>	<b>643</b>	<b>-62</b>	<b>2,411</b>
<b>Operating profit before amortisation (EBITA)</b>	<b>943</b>	<b>309</b>	<b>-85</b>	<b>1,168</b>
<b>Operating profit (EBIT)</b>	<b>925</b>	<b>267</b>	<b>-111</b>	<b>1,080</b>
<b>Invested capital, end of period</b>	<b>21,310</b>	<b>6,700</b>	<b>846</b>	<b>28,856</b>

DKK m	Ferry Division	Logistics Division	Non- allocated	Total
<b>H1 2022</b>				
External revenue	7,377	5,617	13	13,007
Intragroup revenue	649	28	302	978
Total revenue	8,026	5,644	315	13,985
<b>Operating profit before depreciation (EBITDA)</b>	<b>1,816</b>	<b>491</b>	<b>-11</b>	<b>2,295</b>
<b>Operating profit before amortisation (EBITA)</b>	<b>921</b>	<b>223</b>	<b>-30</b>	<b>1,113</b>
<b>Operating profit (EBIT)</b>	<b>902</b>	<b>198</b>	<b>-52</b>	<b>1,048</b>
<b>Invested capital, end of period</b>	<b>20,566</b>	<b>4,741</b>	<b>837</b>	<b>26,143</b>

## Note 3 Revenue

DKK m	H1 2023			Total
	Ferry Division	Logistics Division	Non-allocated	
<b>Geographical markets</b>				
North Sea	2,842	-	0	2,842
Mediterranean	2,288	-	0	2,288
Baltic Sea	614	-	0	614
Continent	-	2,411	0	2,411
Nordic	-	1,961	0	1,961
UK/Ireland	1,640	1,520	0	3,160
Other	0	0	6	6
<b>Total</b>	<b>7,384</b>	<b>5,893</b>	<b>6</b>	<b>13,282</b>
<b>Product and services</b>				
Seafreight and shipping logistics solutions	5,080	0	0	5,080
Transport solutions	344	5,658	0	6,002
Passenger seafare and on board sales	1,415	0	0	1,415
Terminal services	292	4	0	297
Charters	171	21	0	192
Agency and other revenue	82	209	6	297
<b>Total</b>	<b>7,384</b>	<b>5,893</b>	<b>6</b>	<b>13,282</b>

DKK m	H1 2022			Total
	Ferry Division	Logistics Division	Non-allocated	
<b>Geographical markets</b>				
North Sea	2,652	-	0	2,652
Mediterranean	2,230	-	0	2,230
Baltic Sea	713	-	0	713
Continent	-	2,212	0	2,212
Nordic	-	2,236	0	2,236
UK/Ireland	1,781	1,169	0	2,950
Other	0	0	13	13
<b>Total</b>	<b>7,377</b>	<b>5,617</b>	<b>13</b>	<b>13,007</b>
<b>Product and services</b>				
Seafreight and shipping logistics solutions	5,239	17	0	5,256
Transport solutions	274	5,237	0	5,510
Passenger seafare and on board sales	1,103	0	0	1,103
Terminal services	497	3	0	500
Charters	171	17	0	189
Agency and other revenue	93	343	13	450
<b>Total</b>	<b>7,377</b>	<b>5,617</b>	<b>13</b>	<b>13,007</b>

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 696m (H1 2022: DKK 509m).

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 192m (H1 2022: DKK 189m).

## 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.

The preliminary purchase price allocation shows the following:

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
<b>Net assets acquired</b>	<b>811</b>
Goodwill	384
<b>Total purchase price</b>	<b>1,195</b>
Contingent consideration assumed	-17
Cash and bank balances acquired	-229
<b>Cash flow impact from acquisition</b>	<b>949</b>

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 the acquisition date.

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

### Other 2023 acquisitions

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

On 18 July 2023 it was announced that DFDS Group had entered an agreement to acquire all shares in Estron Group headquartered in Rotterdam, Netherlands. Closing of the transaction is expected to be in August 2023.

### 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 2023.

DKK m	H1 2023		H1 2022	
	Fair value	Carrying amount	Fair value	Carrying amount
<b>Financial assets</b>				
Derivatives (Level 2)	342	342	237	237
Securities (Level 3)	2	2	2	2
<b>Financial liabilities</b>				
Derivatives (Level 2)	77	77	106	106

### 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 23m, equivalent to 0.4% compared to H1 2022. Operating profit before depreciation (EBITDA) increased by DKK 11m equivalent to 1.0% compared to H1 2022.

Profit before tax decreased by DKK 326m compared to H1 2022.

The Parent Company's net interest-bearing debt increased by DKK 946m equivalent to 13.3% compared to 31 December 2022.

DKK m	2023 H1	2022 H1	2022-23 LTM	2022 Full-year
<b>Income statement</b>				
Revenue	5,423	5,400	11,643	11,621
Operating profit before depreciation (EBITDA)	1,112	1,102	2,669	2,658
Operating profit before amortisation (EBITA)	385	426	1,159	1,200
Operating profit (EBIT)	359	405	1,110	1,157
Financial items, net	-124	156	172	451
Profit before tax	235	561	1,282	1,608
<b>Profit for the period</b>	<b>237</b>	<b>567</b>	<b>1,278</b>	<b>1,608</b>
<b>Assets</b>				
Non-current intangible assets	459	433	-	448
Non-current tangible assets	8,210	7,910	-	8,635
Investments in subsidiaries	10,462	8,509	-	9,289
Investments in associates, joint ventures and securities	2	2	-	2
Non-current receivables from subsidiaries	33	22	-	60
Other non-current assets	209	222	-	280
Non-current assets	19,374	17,098	-	18,714
Current receivables from subsidiaries	1,142	923	-	1,064
Receivables from associates and joint ventures	22	24	-	22
Cash	558	976	-	489
Other current assets	1,437	1,603	-	1,412
Current assets	3,158	3,526	-	2,988
<b>Total assets</b>	<b>22,532</b>	<b>20,624</b>	<b>-</b>	<b>21,702</b>
<b>Equity and liabilities</b>				
Equity	10,332	9,778	-	10,649
Non-current liabilities	5,319	3,733	-	4,071
Current liabilities to subsidiaries	2,335	2,058	-	1,868
Other current liabilities	4,546	5,055	-	5,114
Current liabilities	6,881	7,113	-	6,982
<b>Total equity and liabilities</b>	<b>22,532</b>	<b>20,624</b>	<b>-</b>	<b>21,702</b>
Equity ratio, %	45.9	47.4	-	49.1
Net interest-bearing debt	8,077	6,237	-	7,131



# Definitions

<b>Operating profit before depreciation (EBITDA)</b>	Profit before interest, tax, depreciation, amortisation, and impairment on non-current assets
<b>Operating profit before amortisation (EBITA)</b>	Profit before interest, tax, and amortisation
<b>Operating profit (EBIT)</b>	Profit before interest and tax
<b>Operating margin, %</b>	$\frac{\text{Operating profit (EBIT)}}{\text{Revenue}} \times 100$
<b>Net operating profit after taxes (NOPAT)</b>	Operating profit (EBIT) minus payable tax for the period adjusted for the tax effect of net finance cost
<b>Invested capital</b>	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
<b>Net Interest-bearing debt (NIBD)</b>	Interest-bearing liabilities (excluding provision for pensions) minus interest-bearing assets minus cash and securities
<b>LTM</b>	Last twelve months
<b>Acquisition intangibles</b>	Intangible assets recognised in connection with acquiring enterprises and activities (Goodwill and Other non-current intangible assets)
<b>Return on invested capital (ROIC), %</b>	$\frac{\text{Net operating profit after taxes (NOPAT)}}{\text{Average invested capital}} \times 100$
<b>ROIC before acquisition intangibles, %</b>	$\frac{\text{Net operating profit after taxes (NOPAT) excluding amortisation on acquisition intangible assets}}{\text{Average invested capital excluding acquisition intangible assets}} \times 100$
<b>Free cash flow</b>	Cash flow from operating activities minus cash flow from investing activities
<b>Adjusted free cash flow (FCFE)</b>	Free cash flow excluding acquisitions/divestments minus payment of lease liabilities and currency contracts related to leases
<b>Return on equity, %</b>	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Average equity excluding non-controlling interests}} \times 100$
<b>Equity ratio, %</b>	$\frac{\text{Equity at end of period}}{\text{Total assets}} \times 100$
<b>Financial leverage, times</b>	$\frac{\text{Net Interest-bearing debt (NIBD)}}{\text{EBITDA LTM incl. pro forma EBITDA for acquired companies}}$
<b>Earnings per share (EPS)</b>	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Weighted average number of ordinary shares in circulation}}$
<b>Dividend per share</b>	$\frac{\text{Dividend for the year}}{\text{Number of shares at the end of the period}}$
<b>Number of ships</b>	Owned and chartered ships, including slot charter and vessel sharing agreements
<b>Passenger</b>	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

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

We operate a transport network in and around Europe with an annual revenue of DKK 27bn and 12,800 full-time employees.

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

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

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