

Outlook for 2020 withdrawn and share buy-back suspended due to coronavirus uncertainty

Company Announcement No. 825

As a result of the current global outbreak of coronavirus, supply chains and the global transport and logistics markets are currently seeing a substantial negative impact. During February, the impact was mainly related to transports from and to China, but now the impact on supply, demand and transport and logistics capacity is global.

Results have been on budget for January 2020 and approximately DKK 150 million below budget for February 2020.

Due to the changed outlook for the global supply chains and transport and logistics markets, we expect a negative impact on our business and financial performance in the coming months. Given the rapid day-to-day developments in many markets, we are currently unable to accurately assess the magnitude of this short-term impact, and we thus withdraw our outlook for 2020 pending further clarification of the market developments and the actual financial impact on our business.

We expect the ongoing integration of Panalpina to continue as planned.

Given the current global uncertainties, we have decided to temporarily suspend our share buy-backs until we have a better overview of the financial implications of the current situation. Under the – now suspended – programme DSV Panalpina would buy back shares for an amount up to DKK 6 billion shares in the period from 7 February 2020 to 30 July 2020.

From a financial perspective, we are in a strong position and by suspending the ongoing share buy back programme we want to maintain this position. We have no plans of changing the capital allocation principles of the Company and will resume reallocations of capital to shareholders once the situation will normalise.

Being part of critical infrastructure, we will do our utmost to support our customers and keep supply chains open.

As soon as we are able to properly assess the impact of coronavirus on the supply chains and transport and logistics markets and the derived impact on our business, we will release an updated outlook for 2020 and we will in accordance with our legal obligations publish any other material new information as it materialises. As per our financial calendar, our interim financial report for Q1 2020 is scheduled for release on 30 April 2020.

Any questions may be addressed to Executive Vice President, Investor Relations, Flemming Ole Nielsen, tel. +45 43 20 33 92.

Yours sincerely,
DSV Panalpina A/S