



INTERIM FINANCIAL REPORT

Q1 2022

Company Announcement No. 957

27 April 2022

Selected key figures and ratios for the period 1 January – 31 March 2022

	Q1 2022	Q1 2021
Key figures (DKK m)		
Revenue	61,125	33,616
Gross profit	12,877	7,785
Operating profit (EBIT) before special items	6,496	3,067
Special items, costs	404	-
Profit for the period	4,386	2,329
Adjusted earnings for the period	4,747	2,390
Adjusted free cash flow	4,858	1,690
Ratios		
Conversion ratio	50.4%	39.4%
Diluted adjusted earnings per share of DKK 1 for the last 12 months	60.5	33.7

Jens Bjørn Andersen, Group CEO: "For Q1 2022, we report a strong set of results, with earnings growth across all divisions and a strong cash flow. We are tracking the plans for the GIL integration and are on track for completion in Q3 2022. The markets continue to be impacted by tight capacity and congestion, and in March we saw the return of COVID-19 lockdowns in China – a reminder to us all that the pandemic is still not over.

The difficult situation in Ukraine is on everyone's mind. DSV shipments to and from Russia and Belarus have stopped, except certain humanitarian shipments, and we are in the process of divesting and exiting our activities in Russia. The direct financial impact is not material as the combined revenue in Ukraine, Russia and Belarus represents less than 1% of the Group's revenue. Still, the situation has impacted the markets negatively in several ways, especially for air and road transports, and we continue to do our best to find capacity and alternative solutions for our customers."

Outlook for 2022

Uncertainty related to the global economy has increased in recent months; however, we expect that the continued disruptions of global supply chains will support a high demand for our services. Based on DSV's strong performance in Q1 2022 and our expectations for the remainder of the year, we upgrade the full-year outlook for 2022 as follows:

- EBIT before special items is expected to be in the range of DKK 21,000-23,000 million (previously DKK 18,000-20,000 million).

Share buyback

A separate company announcement about the launch of a new share buyback programme of up to DKK 6,000 million will be issued 27 April 2022. The programme will be concluded no later than 25 July 2022.

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Yours sincerely,
DSV A/S

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DSV Group

We provide and manage supply chain solutions for thousands of companies every day – from the small family run business to the large global corporation.

Our reach is global, yet our presence is local and close to our customers. More than 75,000 employees in more than 90 countries work passionately to deliver great customer experiences and high-quality services. Read more at www.dsv.com

Financial highlights

	Q1 2022	Q1 2021
Results (DKKm)		
Revenue	61,125	33,616
Gross profit	12,877	7,785
Operating profit before amortisation and depreciation (EBITDA) before special items	7,676	4,016
Operating profit (EBIT) before special items	6,496	3,067
Special items, costs	404	-
Net financial expenses	329	21
Profit for the period	4,386	2,329
Adjusted earnings for the period	4,747	2,390
Cash flows (DKKm)		
Operating activities	5,301	2,603
Investing activities	49	(357)
Free cash flow	5,350	2,246
Adjusted free cash flow	4,858	1,690
Share buyback	(3,546)	(4,815)
Dividends distributed	(1,320)	(920)
Cash flow for the period	2,420	(86)
Financial position (DKKm)		
DSV A/S shareholders' share of equity	75,621	45,501
Balance sheet total	168,308	101,586
Net working capital	9,051	3,646
Net interest-bearing debt	29,621	21,992
Invested capital	103,986	66,420
Gross investment in property, plant and equipment	148	269
Financial ratios (%)*		
Gross margin	21.1	23.2
Operating margin	10.6	9.1
Conversion ratio	50.4	39.4
Effective tax rate	23.9	23.5
ROIC before tax	23.1	16.4
Return on equity (ROE)	21.8	13.6
Solvency ratio	44.9	44.8
Gearing ratio	1.2	1.5
Share ratios*		
Earnings per share of DKK 1 for the last 12 months	57.6	27.6
Diluted adjusted earnings per share of DKK 1 for the last 12 months	60.5	33.7
Number of shares issued ('000)	240,000	230,000
Number of treasury shares ('000)	8,097	7,640
Average number of shares issued ('000) for the last 12 months	229,807	226,291
Average diluted number of shares ('000) for the last 12 months	234,733	230,911
Share price end of period (DKK)	1,300.5	1,244.5
Non-Financials		
Number of full-time employees at 31 March	77,358	57,642

* For a definition of key figures and ratios, please refer to page 85 of the DSV Annual Report 2021.

Management's commentary

The Group achieved a gross profit of DKK 12,877 million for the first three months of 2022, compared to DKK 7,785 million for the same period last year. The strong increase was driven by the addition of GIL business and growth in all divisions – especially the Air & Sea and Solutions divisions.

EBIT before special items for the first three months of 2022 came to DKK 6,496 million, compared to DKK 3,067 million for the same period last year.

For the rolling 12-month period ended 31 March 2022, the Group achieved a 79.5% increase in diluted adjusted earnings per share.

FINANCIAL DEVELOPMENT 2021 - 2022

(DKKm)	Change				Q1 2022
	Q1 2021	Currency translation	Growth	Growth %*	
Revenue	33,616	825	26,684	77.5%	61,125
Gross profit	7,785	229	4,863	60.7%	12,877
EBIT before special items	3,067	119	3,310	103.9%	6,496
Gross margin (%)	23.2				21.1
Operating margin (%)	9.1				10.6
Conversion ratio (%)	39.4				50.4

* Growth including M&A and in constant currencies

Integration of Agility's Global Integrated Logistics business

The acquisition of Agility's Global Integrated Logistics business (GIL) was closed in August 2021, as of when GIL has been included in the consolidated financial statements of DSV. Consequently, the business combination was not included in the comparable figures for Q1 2021.

The integration of GIL is progressing according to plan, and we expect to complete the integration in Q3 2022. In line with previous announcements, GIL is expected to contribute with at least DKK 3,000 million to the combined EBIT before special items on an annual basis. Around 85% of the EBIT contribution is expected to impact the income statement in 2022, and we expect full-year impact in 2023.

The EBIT impact includes synergies from the consolidation of operations, logistics facilities, back-office functions and IT infrastructure.

Integration costs in the level of DKK 1,000 million are expected in 2022. These costs will be charged to the income statement under special items.

The GIL activities have been included in the existing DSV divisional structure. The acquisition has the largest impact on the Air & Sea division. Approximately 75-80% of the activities of GIL are air and sea freight related and the rest are Solutions and Road services.

Ukraine and Russia

As part of our global network, DSV has subsidiaries in Ukraine, Russia and Belarus. The combined revenue in the three countries represents less than 1% of the Group's revenue and the Group has no material investments in these countries. As such, no material direct impact on the financial results or financial position of Group is expected.

Activities in Ukraine were temporarily suspended when the crisis started. A smaller part of the operation is up and running again to support humanitarian shipments into the country.

The situation has led to a stop of DSV shipments to and from Russia, with the exception of medical and humanitarian supplies. We are in the process of divesting our activities in Russia.

The situation in Ukraine and the sanctions imposed in response by the EU, US, UK and others against Russia have impacted the transport markets in several areas. The closure of Russian airspace has reduced available air freight capacity between Asia and Europe due to longer flight time and sanctions against Russian airlines. In Europe, the decision by many Ukrainian truck drivers to return to their home country has contributed to further capacity tightness in our Road activities. In both cases, we have been able to find capacity and alternative solutions for our customers.

Results for the period

Revenue

For the first three months of 2022, revenue amounted to DKK 61,125 million, compared to DKK 33,616 million last year. In constant currencies and including the impact from M&A, growth for the three-month period was 77.5%.

Revenue by division compared to same period last year is specified below:

(DKKm)	Q1 2022	Growth*
Air & Sea	45,887	94.1%
Road	10,188	25.9%
Solutions	6,162	66.5%
Group and eliminations	(1,112)	
Total	61,125	77.5%

* Growth including M&A and in constant currencies

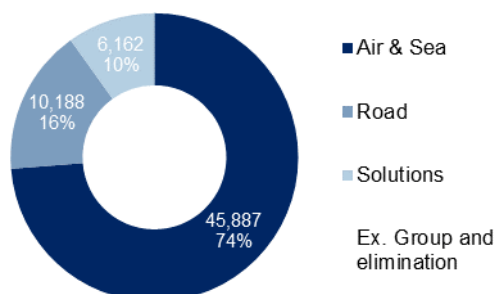
The revenue growth in Air & Sea was driven by the inclusion of GIL and higher freight rates for both air and sea compared to Q1 2021. Measured on volumes, we estimate that the transport markets were flat for air freight and down for sea freight in Q1 2022.

The air and sea markets continue to be impacted by capacity shortages and congestion in different parts of the world. Partly due to seasonality, the congestion eased slightly in Q1 2022 compared to the situation by the end of 2021. However, the March 2022 COVID-19 lockdowns in China and the closure of Russian air space add to the challenges in the freight markets in the coming quarters.

Road and Solutions have also achieved strong growth in revenue in Q1 2022, driven by general market growth and market share gains in both divisions. GIL also contributed to the growth in the quarter, especially in the Solutions division.

In Q4 2021, we launched our Green Logistics services. The services have been well received and customers have shown good interest. However, so far, the impact on actual revenue is limited.

Revenue by division, Q1 2022



Gross profit

For the first three months of 2022, gross profit amounted to DKK 12,877 million, compared to DKK 7,785 million last year. In constant currencies and including M&A, growth in gross profit was 60.7%.

Gross profit by division compared to same period last year is specified below:

(DKKm)	Q1 2022	Growth*
Air & Sea	8,637	73.6%
Road	1,938	16.5%
Solutions	2,322	67.9%
Group and eliminations	(20)	
Total	12,877	60.7%

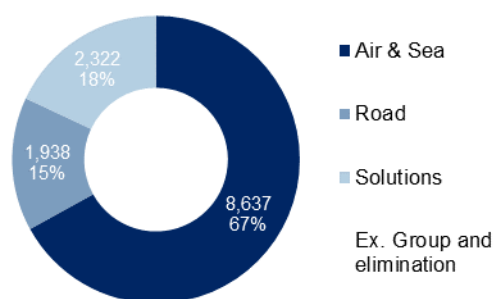
* Growth including M&A and in constant currencies

The growth in Air & Sea was driven by higher gross profit yields and positively impacted by the extraordinary market conditions characterised by disruption, tight capacity and high freight rates.

In Road and Solutions, the increase in gross profit was mainly driven by growth in activity compared to 2021.

All regions showed growth in gross profit, strongest in APAC and Americas. Furthermore, the Middle East was significantly impacted by GIL's strong network and good performance.

Gross profit by division, Q1 2022



The gross margin was 21.1% for the first three months, compared to 23.2% for the same period last year. The decline is related to both Air & Sea and Road, where higher freight rates and oil prices have caused an increase in the cost for transport services. This cost inflation leads to a higher pass-through revenue and thus a lower gross margin.

EBIT before special items

EBIT before special items amounted to DKK 6,496 million for the first three months of 2022, compared to DKK 3,067 million last year. In constant currencies, increase in EBIT before special items was 103.9%.

EBIT by division compared to same period last year is specified below:

(DKKm)	Q1 2022	Growth*
Air & Sea	5,224	108.5%
Road	498	23.3%
Solutions	789	194.4%
Group and eliminations	(15)	
Total	6,496	103.9%

* Growth including M&A and in constant currencies

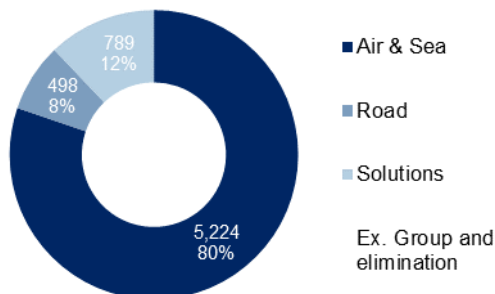
The increase in EBIT was driven by the increase in gross profit in all divisions combined with the effect of continued strong cost management as well as the addition of GIL activities. The Solutions division achieved the highest EBIT growth for the

quarter, and besides the inclusion of the strong GIL operations, the division continues to benefit from consolidation of infrastructure and high utilisation of capacity.

All regions contributed strongly to the development and all achieved growth rates above 100% for Q1 2022.

Conversion ratio for the Group reached 50.4% for Q1 2022, compared to 39.4% for the same period last year. All divisions improved their conversion ratios even though general cost inflations are putting pressure on the cost base.

EBIT by division, Q1 2022



Special items

Integration costs related to GIL amounted to DKK 404 million for Q1 2022 (Q1 2021: DKK 0 million).

Financial items

Financial items totalled a net expense of DKK 329 million for the first three months, compared to a net expense of DKK 21 million for the same period last year. Foreign exchange adjustments amounted to an expense of DKK 53 million (Q1 2021: income of DKK 158 million) and were primarily related to intercompany loans between DSV entities in different countries and had no cash impact. Furthermore, financial expenses for the quarter were impacted by the inclusion of GIL and higher net interest-bearing debt compared to the same period last year.

(DKKm)	Q1 2022	Q1 2021
Interest on lease liabilities	162	119
Other interest cost, net	112	57
Interest on pensions	2	3
Foreign exchange adjustments	53	(158)
Financial expenses	329	21

Tax on profit for the period

The effective tax rate came to 23.9% for the first three months, compared to 23.5% for the same period last year. The effective tax rate for the Group is still expected to be in the level of 23% for 2022; however, the effective tax rate can be impacted by non-deductible integration costs during large integrations.

Profit for the period

Profit for the first three months of 2022 was DKK 4,386 million, compared to DKK 2,329 million for the same period of 2021. The higher profit for the period was mainly due to higher EBIT.

Diluted adjusted earnings per share

The rolling 12-month figure increased by 79.5% compared to last year and came to DKK 60.5 per share (2021: DKK 33.7 per share).

Cash flow

CASH FLOW STATEMENT

(DKKm)	Q1 2022	Q1 2021
Cash flow from operating activities	5,301	2,603
Cash flow from investing activities	49	(357)
Free cash flow	5,350	2,246
Cash flow from financing activities	(2,930)	(2,332)
Cash flow for the period	2,420	(86)
Free cash flow	5,350	2,246
Special items (restructuring costs)	397	189
Repayment of lease liabilities	(889)	(745)
Adjusted free cash flow	4,858	1,690

Cash flow from operating activities increased by 104% compared to last year, driven by higher EBITDA before special items but offset by higher NWC and higher payments of company income taxes related to prior year's good results.

Cash flow from investing activities amounted to DKK 49 million for the first three months of 2022, compared to a negative cash flow of DKK 357 million for the same period of 2021. The positive development is due to disposals of properties.

Net working capital

On 31 March 2022, the Group's net working capital was DKK 9,051 million, compared to DKK 3,646 million on 31 March 2021. NWC increased by DKK 5,405 million.

The main increase in NWC is seen in the Air & Sea division, as this division is more impacted by higher freight rates.

The increase mainly related to higher trade receivables as a derived consequence of the record-high freight rates also leading to a significant increase in revenue and thereby increase in receivables. It is important to emphasize that we see no increase in overdue receivables compared to last year.

Relative to full-year revenue, funds tied up in NWC is 3.7% on 31 March 2022 (31 March 2021: 2.8%).

Capital structure and finances

DSV A/S shareholders' share of equity

DSV shareholders' share of equity was DKK 75,621 million on 31 March 2022 (DKK 74,103 million on 31 December 2021).

DSV reduced its share capital on 20 April 2022 through the cancellation of 6,000,000 treasury shares. Please refer to Company Announcement No. 956.

On 31 March 2022, the Company's portfolio of treasury shares was 8,097,491 shares. On 26 April 2022, the portfolio of treasury shares was 2,130,315 shares.

The solvency ratio excluding non-controlling interests was 44.9% on 31 March 2022 (31 March 2021: 44.8%).

DEVELOPMENT IN EQUITY

(DKKm)	Q1 2022	Q1 2021
Equity at 1 January	74,103	47,385
Profit for the period (attributable to DSV shareholders)	4,360	2,334
Currency translation, foreign enterprises	1,737	810
Allocated to shareholders	(4,866)	(5,735)
Sale of treasury shares	199	273
Other equity movements	88	434
Equity end of period	75,621	45,501

Net interest-bearing debt

Net interest-bearing debt amounted to DKK 29,621 million on 31 March 2022, compared to DKK 21,992 million on 31 March 2021.

On 11 March 2022, it was announced that DSV had completed a new 8-year EUR 600 million Eurobond issue (approximately DKK 4,500 million). Please refer to Company Announcement No. 849.

The financial gearing ratio (NIBD/EBITDA) was 1.2x on 31 March 2022, compared to 1.5x last year. We maintain the financial gearing ratio target of below 2.0x NIBD/EBITDA, and a new share buyback programme of DKK 6,000 million is initiated on 27 April 2022.

The weighted average duration of the Company's long-term bonds, drawn and undrawn credit facilities and committed loans was 7.5 years on 31 March 2022. The weighted average duration of the Company's long-term bonds and drawn credit facilities was 9.0 years on 31 March 2022.

Invested capital and ROIC

The invested capital including goodwill and customer relationships amounted to DKK 103,986 million on 31 March 2022, compared to DKK 66,420 million on 31 March 2021. The

increase was mainly due to the GIL acquisition and the increase in net working capital.

Driven by the strong growth in earnings, return on invested capital including goodwill and customer relationships was 23.1% for the rolling 12-month period ended 31 March 2022, compared to 16.4% for the same period last year. Excluding goodwill and customer relationships, return on invested capital was 88.2% for the rolling 12-month period ended 31 March 2022, compared to 62.9% for the same period last year.

Outlook

Uncertainty related to the global economy has increased in recent months; however, we expect that the continued disruptions of global supply chains will support a high demand for our services in 2022. Based on DSV's strong performance in Q1 2022 and our expectations for the remainder of the year, we upgrade the full-year outlook for 2022 as follows:

- EBIT before special items is expected to be in the range of DKK 21,000-23,000 million (previously DKK 18,000-20,000 million).
- The effective tax rate is expected to approximate 23% (unchanged).

The outlook is based on the assumption of a global GDP growth of 2-3% (previously 4%). We expect that the lower activity level will be compensated by higher gross profit per shipment, driven by both external market conditions and internal improvements following the GIL integration.

We are unable to isolate GIL's activities, but these are positively impacted by the same factors as the legacy DSV business. We expect a total EBIT contribution of at least DKK 3,000 million, of which 85% are expected in 2022. Full-year impact of the GIL integration is expected in 2023.

Special items of around DKK 1,000 million related to the integration are expected in 2022.

The upgrade is impacted by the recent increase in currency rates and assumes that the currency exchange rates, especially the US dollar against DKK, will remain at the current level.

Due to the volatile and unpredictable transport markets, the assumptions that our outlook for 2022 rely on are more uncertain than they would normally be.

DSV Air & Sea

The Air & Sea division operates a global network specialising in transportation of cargo by air and sea. The division offers both conventional freight forwarding services and tailored project cargo solutions.

The division achieved a 73.6% increase in gross profit and 108.5% increase in EBIT before special items for the first three months of 2022. The increase in earnings was driven by strong gross profit yields in challenging freight markets and a continued focus on operational excellence. The inclusion of GIL also contributed positively to the result for the quarter.

INCOME STATEMENT

(DKKm)	Q1 2022	Q1 2021
Divisional revenue	45,887	22,924
Direct costs	37,250	18,136
Gross profit	8,637	4,788
Other external expenses	1,076	753
Staff costs	2,033	1,445
EBITDA before special items	5,528	2,590
Amortisation and depreciation	304	197
EBIT before special items	5,224	2,393

KEY FIGURES AND RATIOS

	Q1 2022	Q1 2021
Gross margin (%)	18.8	20.9
Operating margin (%)	11.4	10.4
Conversion ratio (%)	60.5	50.0
Number of full-time employees	23,700	17,999
Total invested capital (DKKm)	73,608	44,596
Net working capital (DKKm)	10,584	4,079
ROIC before tax (%)	26.4	18.3

Market development

Freight volume growth

	DSV Q1 2022	Market Q1 2022
Air freight – tonnes	22%	0%
Sea freight – TEUs	15%	(5-10%)

DSV's growth includes impact from M&A, market growth rates are based on DSV estimates.

The freight markets continue to be impacted by the ramifications of the pandemic, leading to congestion and inefficiencies. The COVID-19 lock-downs in China and the situation in Ukraine added to the challenges during Q1 2022.

Available air freight capacity remains impacted by limited belly space capacity in passenger planes and the closure of Russian

air space led to further capacity tightness during Q1 2022. In response to this situation, additional capacity was added to DSV's Air Charter Network during Q1 2022.

DSV achieved 22% volume growth in air freight in Q1 2022. Adjusted for the addition of GIL, we estimate that DSV volumes grew approximately 2%, slightly above the general market for the quarter.

The sea freight market remains impacted by port congestion inefficiencies across the supply chains. The seasonally lower activity in Q1 has led to slight improvements in the situation, but freight rates remain elevated and schedule reliability low.

DSV achieved 15% volume growth in sea freight in Q1 2022. Adjusted for the addition of GIL, DSV's volume growth was down by approximately 7%. This was in line with the estimated

market growth and impacted by discontinued low-margin business and the integration of GIL.

Divisional revenue

The division's revenue amounted to DKK 45,887 million for the first three months of 2022, compared to DKK 22,924 million for the same period last year.

Besides the addition of GIL, the growth in revenue for the first three months of 2022 was driven by significantly higher freight rates for both air and sea compared to the same period last year.

The growth was driven by all regions and was highest in APAC and Americas.

Gross profit

For the first three months of 2022, gross profit amounted to DKK 8,637 million, compared to DKK 4,788 million for the same period last year.

The increase in the first three months of 2022 was driven by the addition of GIL and significantly higher yields per unit for both air and sea freight.

As we saw in the second half of 2021, the market conditions of tight capacity, congestion and disruption on the global logistics markets have a positive impact on gross profit per TEU (sea freight) and per tonne (air freight). Our skilled freight forwarders, scale benefits and strong carrier relationships enable us to find transport solutions for our customers despite imbalances in the market. At the same time, the disruptions impact time consumption per shipment, as our freight forwarders work hard to find the most optimal solutions for our customers.

The division's gross margin was 18.8% for the first three months of 2022, compared to 20.9% last year. Higher freight rates for both air and sea freight have caused significant increases in the division's direct cost for freight services. This cost inflation leads to a higher pass-through revenue and thus a lower gross margin.

EBIT before special items

EBIT before special items came to DKK 5,224 million for the first three months of 2022, compared to DKK 2,393 million for the same period last year.

The increase in EBIT before special items was driven by the growth in gross profit and supported by the continued focus on cost management. The conversion ratio was 60.5% for the first three months of 2022, compared to 50.0% for the same period last year.

All regions contributed to the strong growth in earnings in the quarter, and the integration of GIL is progressing well and contributed positively across the network.

The number of full-time employees increased by 31.7% compared to March 2021. The increase was mainly related to the acquisition of GIL.

Net working capital

The Air & Sea division's net working capital came to DKK 10,584 million on 31 March 2022, compared to DKK 4,079 million on 31 March 2021. The steep increase was due to the higher freight rates impacting receivables and the inclusion of GIL. On top of the high freight rates, we continue to see challenges in the US infrastructure which impacts the invoicing process due to delays at seaports and airports.

FINANCIAL DEVELOPMENT 2021 - 2022

(DKKm)	Change				
	Q1 2021	Currency translation	Growth	Growth %*	Q1 2022
Divisional revenue	22,924	717	22,246	94.1%	45,887
Gross profit	4,788	187	3,662	73.6%	8,637
EBIT before special items	2,393	113	2,718	108.5%	5,224

AIR AND SEA SPLIT

(DKKm)	Sea freight		Air freight	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Divisional revenue	21,680	9,949	24,207	12,975
Direct costs	17,738	7,923	19,512	10,213
Gross profit	3,942	2,026	4,695	2,762
Gross margin (%)	18.2	20.4	19.4	21.3
Volume (TEUs/tonnes)	667,653	581,019	410,911	336,307
Gross profit per unit (DKK)	5,904	3,487	11,426	8,213

DSV Road

The Road division is among the market leaders in Europe and furthermore has operations in North America, South Africa and in the Middle East. The division operates more than 23,000 trucks and offers full load, part load and groupage services through a network of more than 250 terminals.

For the first three months of 2022, the Road division achieved a 16.5% growth in gross profit and a 23.3% increase in EBIT before special items. The increase in earnings was driven by market share gains and strong operational performance.

INCOME STATEMENT

(DKKm)	Q1 2022	Q1 2021
Divisional revenue	10,188	8,056
Direct costs	8,250	6,399
Gross profit	1,938	1,657
Other external expenses	341	258
Staff costs	871	742
EBITDA before special items	726	657
Amortisation and depreciation	228	254
EBIT before special items	498	403

KEY FIGURES AND RATIOS

	Q1 2022	Q1 2021
Gross margin (%)	19.0	20.6
Operating margin (%)	4.9	5.0
Conversion ratio (%)	25.7	24.3
Number of full-time employees	17,001	14,222
Total invested capital (DKKm)	10,617	9,189
Net working capital (DKKm)	(1,130)	(968)
ROIC before tax (%)	19.7	15.9

Market development

We estimate that the market grew by 3-5% in the first three months of 2022 compared to the same period last year.

The European haulage capacity declined in Q1 2022 as a result of several factors. The EU Mobility Package came into effect, and several Ukrainian truck drivers have returned to their home country due to the situation. In combination with the high activity levels this has led to tighter capacity and increasing road freight rates across most regions. Higher fuel costs also contributed to increasing freight rates (diesel surcharge) during the quarter.

Thanks to the strong market position and an efficient procurement setup, DSV Road has been able to secure the necessary capacity so far, and we estimate that the Road

division has taken market share across most markets during Q1 2022.

Divisional revenue

The division's revenue amounted to DKK 10,188 million for the first three months of 2022, compared to DKK 8,056 million for the same period last year.

The growth in revenue during the first quarter of 2022 was driven by higher activity levels and higher freight rates. All regions contributed to the growth in the quarter, with North America achieving the highest growth.

The addition of GIL and Globeflight in South Africa also contributed to the growth for the quarter.

Gross profit

For the first three months of 2022, gross profit totalled DKK 1,938 million, compared to DKK 1,657 million for the same period last year, which is an increase of 16.5%. The growth was driven by higher activity levels and the addition of GIL and Globeflight.

The division's gross margin was 19.0% for the first three months of 2022, compared to 20.6% for Q1 2021. Capacity shortages, higher diesel prices and general cost inflation – partly due to the EU Mobility Package – has led to higher direct freight cost for the division. The pass-through element of this cost inflation impacts the gross margin negatively.

The EU Mobility Package includes a number of legislative changes for the road transport sector. Most importantly, trucks operating on international traffics must return to the home address of the haulier every eight weeks. Furthermore, tighter restrictions for cabotage operations and new requirements for minimum wage for drivers have been implemented.

EBIT before special items

EBIT before special items was DKK 498 million for the first three months of 2022, compared to DKK 403 million for the same period last year. This corresponds to an increase for the period of 23.3%.

The increase in EBIT before special items for the first three months of 2022 was driven by the increase in gross profit and an improved conversion ratio, which came to 25.7% for the period, compared to 24.3% for the same period last year.

The increase in earnings was driven by good performance across all regions.

The number of full-time employees increased by 19.5% compared to March 2021. The increase was mainly due to generally higher activity and the GIL and Globeflight acquisitions.

Net working capital

The Road division's net working capital was negative by DKK 1,130 million on 31 March 2022, compared to a negative DKK 968 million on 31 March 2021.

FINANCIAL DEVELOPMENT 2021 - 2022

(DKKm)	Change				Q1 2022
	Q1 2021	Currency translation	Growth	Growth %*	
Divisional revenue	8,056	34	2,098	25.9%	10,188
Gross profit	1,657	7	274	16.5%	1,938
EBIT before special items	403	1	94	23.3%	498

* Growth including M&A and in constant currencies

DSV Solutions

The Solutions division offers warehousing and logistics services globally and controls more than 500 logistics facilities. The service portfolio includes freight management, customs clearance, order management and e-commerce solutions.

For the first three months of 2022, the Solutions division achieved a 67.9% increase in gross profit, which was converted into an impressive 194.4% increase in EBIT before special items.

INCOME STATEMENT

(DKKm)	Q1 2022	Q1 2021
Divisional revenue	6,162	3,609
Direct costs	3,840	2,261
Gross profit	2,322	1,348
Other external expenses	423	281
Staff costs	525	377
EBITDA before special items	1,374	690
Amortisation and depreciation	585	427
EBIT before special items	789	263

KEY FIGURES AND RATIOS

	Q1 2022	Q1 2021
Gross margin (%)	37.7	37.4
Operating margin (%)	12.8	7.3
Conversion ratio (%)	34.0	19.5
Number of full-time employees	31,845	22,188
Total invested capital (DKKm)	22,280	12,073
Net working capital (DKKm)	1,553	1,008
ROIC before tax (%)	13.4	10.8

Market development

It is our estimate that the contract logistics market has grown approximately 5-10% in the first three months of 2022 compared to the same period last year. The high market growth leads to increasing prices for warehouse capacity across most geographies.

We estimate that DSV Solutions has taken market share in all major markets in Q1 2022.

Divisional revenue

The division's revenue was DKK 6,162 million for the first three months of 2022, compared to DKK 3,609 million for the same period of 2021. Growth for the period was 66.5%.

Activity levels were higher across all regions and across several industries in Q1 2022. GIL's well-run contract logistics operations in the Middle East and South-East Asia were a strong contributor to the growth.

Global demand for modern warehouse capacity remains high, and the division systematically develops new warehouse capacity in key strategic locations. The new warehouses are partly replacing older warehouses, but are also adding to the total capacity of the division and are therefore a key driver for organic growth.

Gross profit

For the first three months of 2022, gross profit was DKK 2,322 million, compared to DKK 1,348 million for the same period of 2021 – an increase of 67.9% for the period, driven by the strong revenue growth.

The division's gross margin was 37.7% for the first three months of 2022 and was on level with the same period last year. Cost inflation is high in most regions, but, so far, it has been possible to pass on the higher costs or to compensate by increasing productivity and capacity utilisation. The division operates with record-high warehouse utilisation.

EBIT before special items

EBIT before special items was DKK 789 million for the first three months of 2022, compared to DKK 263 million for the same period of 2021, corresponding to an increase of 194.4%.

The increase in EBIT before special items was driven by the addition of GIL, especially in the Middle East, and strong organic growth in revenue and gross profit.

The conversion ratio was 34.0% for the first three months of 2022, compared to 19.5% for the same period last year, and the division continues its focus on cost optimisation and operational excellence.

The ongoing consolidation of warehouse capacity into larger, flexible, multi-customer warehouses has a clear positive impact on both gross margin and conversion ratio. The new warehouses can be equipped and automated to match the needs of different customers, and with several customers in the

same location significant scale benefits can be achieved: better utilisation of equipment, automated processes and better planning for the staff.

The consolidation also includes the division's IT infrastructure. More than 70% of all sites operate on the division's global Warehouse Management System, and this enables standardisation of services and workflows while reducing the cost per transaction (order-line).

The number of full-time employees increased by 43.5% compared to March 2021. The increase was mainly driven by the acquisitions of GIL and a general increase in activity levels.

Net working capital

The division's net working capital came to DKK 1,553 million on 31 March 2022, compared to DKK 1,008 million on 31 March 2021. The development was mainly due to higher activity and the inclusion of GIL.

FINANCIAL DEVELOPMENT 2021 - 2022

(DKKm)	Q1 2021	Currency translation	Growth	Growth %*	Q1 2022
Divisional revenue	3,609	93	2,460	66.5%	6,162
Gross profit	1,348	35	939	67.9%	2,322
EBIT before special items	263	5	521	194.4%	789

* Growth including M&A and in constant currencies

Interim financial statements

Income statement

(DKKm)	Q1 2022	Q1 2021
Revenue	61,125	33,616
Direct costs	48,248	25,831
Gross profit	12,877	7,785
Other external expenses	1,289	849
Staff costs	3,912	2,920
Operating profit before amortisation and depreciation (EBITDA) before special items	7,676	4,016
Amortisation and depreciation	1,180	949
Operating profit (EBIT) before special items	6,496	3,067
Special items, costs	404	-
Financial income	67	208
Financial expenses	396	229
Profit before tax	5,763	3,046
Tax on profit for the period	1,377	717
Profit for the period	4,386	2,329
<i>Profit for the period attributable to:</i>		
Shareholders of DSV A/S	4,360	2,334
Non-controlling interests	26	(5)
<i>Earnings per share:</i>		
Earnings per share of DKK 1 for the period	18.7	10.4
Diluted earnings per share of DKK 1 for the period	18.4	10.2

Statement of comprehensive income

(DKK)m	Q1 2022	Q1 2021
Profit for the period	4,386	2,329
<i>Items that may be reclassified to the income statement when certain conditions are met:</i>		
Net exchange differences recognised in OCI	1,736	805
Fair value adjustments relating to hedging instruments	8	(14)
Fair value adjustments relating to hedging instruments transferred to financial expenses	1	-
Tax on items reclassified to income statement	(2)	2
<i>Items that will not be reclassified to income statement:</i>		
Actuarial gains/(losses)	288	147
Tax relating to items that will not be reclassified	(67)	(38)
Other comprehensive income, net of tax	1,964	902
Total comprehensive income	6,350	3,231
<i>Total comprehensive income attributable to:</i>		
Shareholders of DSV A/S	6,325	3,241
Non-controlling interests	25	(10)
Total	6,350	3,231

Cash flow statement

(DKKm)	Q1 2022	Q1 2021
Operating profit before amortisation and depreciation (EBITDA) before special items	7,676	4,016
<i>Adjustments:</i>		
Share-based payments	41	34
Change in provisions	245	(48)
Change in working capital, etc.	(1,145)	(798)
Special items	(397)	(189)
Interest received	67	50
Interest paid on lease liabilities	(162)	(124)
Interest paid, other	(201)	(105)
Income tax paid	(823)	(233)
Cash flow from operating activities	5,301	2,603
Purchase of intangible assets	(87)	(59)
Purchase of property, plant and equipment	(148)	(269)
Disposal of intangible assets, property, plant and equipment	296	12
Change in other financial assets	(12)	(41)
Cash flow from investing activities	49	(357)
Free cash flow	5,350	2,246
Proceeds from borrowings	4,719	3,835
Repayment of borrowings	(2,065)	(43)
Repayment of lease liabilities	(889)	(745)
Other financial liabilities incurred	(86)	55
<i>Transactions with shareholders:</i>		
Dividends distributed	(1,320)	(920)
Purchase of treasury shares	(3,546)	(4,815)
Sale of treasury shares	199	273
Other transactions with shareholders	58	28
Cash flow from financing activities	(2,930)	(2,332)
Cash flow for the period	2,420	(86)
Cash and cash equivalents 1 January	8,299	4,060
Cash flow for the period	2,420	(86)
Currency translation	330	192
Cash and cash equivalents end of period	11,049	4,166
<i>The cash flow statement cannot be directly derived from the balance sheet and income statement.</i>		
Statement of adjusted free cash flow	Q1 2022	Q1 2021
Free cash flow	5,350	2,246
Special items (reversed)	397	189
Repayment of lease liabilities	(889)	(745)
Adjusted free cash flow	4,858	1,690

Balance sheet – Assets

(DKKm)	31.03.2022	31.12.2021	31.03.2021
Intangible assets	77,940	76,661	49,434
Right-of-use (ROU) assets	14,165	13,709	11,195
Property, plant and equipment	6,309	6,262	3,247
Other receivables	2,407	2,395	413
Deferred tax assets	3,248	3,544	2,658
Total non-current assets	104,069	102,571	66,947
Trade receivables	39,251	36,369	21,875
Contract assets	8,778	9,797	3,835
Inventories	958	284	1,823
Other receivables	4,188	4,009	2,839
Cash and cash equivalents	11,049	8,299	4,166
Assets held for sale	15	66	101
Total current assets	64,239	58,824	34,639
Total assets	168,308	161,395	101,586

Balance sheet – Equity and liabilities

(DKKm)	31.03.2022	31.12.2021	31.03.2021
Share capital	240	240	230
Reserves and retained earnings	75,381	73,863	45,271
DSV A/S shareholders' share of equity	75,621	74,103	45,501
Non-controlling interests	197	175	(102)
Total equity	75,818	74,278	45,399
Lease liabilities	12,562	11,848	9,656
Borrowings	21,487	16,993	9,938
Pensions and similar obligations	673	908	1,086
Provisions	3,477	3,508	1,190
Deferred tax liabilities	503	447	216
Total non-current liabilities	38,702	33,704	22,086
Lease liabilities	3,442	3,440	2,787
Borrowings	2,644	4,472	2,786
Trade payables	16,899	17,040	11,491
Accrued cost of services	14,537	13,289	6,957
Provisions	2,074	1,841	1,335
Other payables	10,615	10,257	6,944
Tax payables	3,577	3,074	1,801
Total current liabilities	53,788	53,413	34,101
Total liabilities	92,490	87,117	56,187
Total equity and liabilities	168,308	161,395	101,586

Statement of changes in equity at 31 March 2022

(DKKm)	Attributable to shareholders of DSV A/S					
	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2022	240	(356)	74,219	74,103	175	74,278
Profit for the period	-	-	4,360	4,360	26	4,386
Other comprehensive income, net of tax	-	1,741	224	1,965	(1)	1,964
Total comprehensive income for the period	-	1,741	4,584	6,325	25	6,350
<i>Transactions with shareholders:</i>						
Share-based payments	-	-	41	41	-	41
Tax on share-based payments	-	-	(231)	(231)	-	(231)
Dividends distributed	-	-	(1,320)	(1,320)	-	(1,320)
Purchase of treasury shares	-	-	(3,546)	(3,546)	-	(3,546)
Sale of treasury shares	-	-	199	199	-	199
Capital increase	-	-	-	-	(1)	(1)
Dividends on treasury shares	-	-	43	43	-	43
Other adjustments	-	-	7	7	(2)	5
Total transactions with shareholders	-	-	(4,807)	(4,807)	(3)	(4,810)
Equity at 31 March 2022	240	1,385	73,996	75,621	197	75,818

Statement of changes in equity at 31 March 2021

(DKKm)	Attributable to shareholders of DSV A/S					
	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2021	230	(2,836)	49,991	47,385	(88)	47,297
Profit for the period	-	-	2,334	2,334	(5)	2,329
Other comprehensive income, net of tax	-	804	103	907	(5)	902
Total comprehensive income for the period	-	804	2,437	3,241	(10)	3,231
<i>Transactions with shareholders:</i>						
Share-based payments	-	-	34	34	-	34
Tax on share-based payments	-	-	266	266	-	266
Dividends distributed	-	-	(920)	(920)	(1)	(921)
Purchase of treasury shares	-	(5)	(4,810)	(4,815)	-	(4,815)
Sale of treasury shares	-	1	272	273	-	273
Dividends on treasury shares	-	-	28	28	-	28
Other adjustments	-	-	9	9	(3)	6
Total transactions with shareholders	-	(4)	(5,121)	(5,125)	(4)	(5,129)
Equity at 31 March 2021	230	(2,036)	47,307	45,501	(102)	45,399

Notes

1 Accounting policies

This Interim Financial Report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and Danish disclosure requirements for listed companies.

Accounting policies applied in preparing the Interim Financial Report are consistent with those applied in preparing the DSV Annual Report 2021. The DSV Annual Report 2021 provides a full description of the Group's accounting policies.

Changes in accounting policies

The DSV Group has implemented the latest amendments to the International Financial Reporting Standards (IFRS) effective as of 1 January 2022 as adopted by the European Union.

None of the amendments implemented have had any material impact on the Group's financial statements, nor are they expected to have so in the foreseeable future.

2 Management judgements and estimates

In preparing the Interim Financial Statements, Management makes various accounting estimates and judgements that affect

the reported amounts and disclosures in the statements and in the notes to the financial statements. These are based on professional experience, historical data and other factors available to Management.

By nature, a degree of uncertainty is involved when carrying out these judgements and estimates, hence actual results may deviate from the assessments made at the reporting date. Judgements and estimates are continuously evaluated, and the effects of any changes are recognised in the relevant period.

Primary financial statement items in which more significant accounting estimates are applied are listed in Chapter 1 of the Notes to the 2021 DSV Annual Report to which is referred.

3 New accounting regulations

The IASB has issued a number of new standards and amendments not yet in effect or endorsed by the EU and therefore not relevant for the preparation of the Q1 2022 Interim Financial Report.

None of these are currently expected to carry any significant impact on the financial statements of the DSV Group when implemented.

4 Segment information

(DKKkm)	Air & Sea		Road		Solutions		Non-allocated items and eliminations		Total	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Condensed income statement										
Revenue	45,638	22,526	9,473	7,565	5,973	3,499	41	26	61,125	33,616
Intercompany revenue	249	398	715	491	189	110	(1,153)	(999)	-	-
Divisional revenue	45,887	22,924	10,188	8,056	6,162	3,609	(1,112)	(973)	61,125	33,616
Direct costs	37,250	18,136	8,250	6,399	3,840	2,261	(1,092)	(965)	48,248	25,831
Gross profit	8,637	4,788	1,938	1,657	2,322	1,348	(20)	(8)	12,877	7,785
Other external expenses	1,076	753	341	258	423	281	(551)	(443)	1,289	849
Staff costs	2,033	1,445	871	742	525	377	483	356	3,912	2,920
Operating profit before amortisation, depreciation (EBITDA) before special items	5,528	2,590	726	657	1,374	690	48	79	7,676	4,016
Amortisation and depreciation	304	197	228	254	585	427	63	71	1,180	949
Operating profit (EBIT) before special items	5,224	2,393	498	403	789	263	(15)	8	6,496	3,067
Condensed balance sheet										
Total assets	101,346	55,264	24,311	22,542	28,987	16,915	13,664	6,865	168,308	101,586
Total liabilities	79,796	53,182	18,247	16,379	23,198	13,154	(28,751)	(26,528)	92,490	56,187

5 Revenue

Sale of services and geographical segmentation specify as follows:

(DKKm)	EMEA		Americas		APAC		Total	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Air services	7,394	4,888	7,755	3,657	9,058	4,430	24,207	12,975
Sea services	11,145	5,280	6,787	2,861	3,749	1,808	21,681	9,949
Road services	9,181	7,458	1,007	598	-	-	10,188	8,056
Solutions services	4,322	2,592	940	688	900	329	6,162	3,609
Total	32,042	20,218	16,489	7,804	13,707	6,567	62,238	34,589
Non-allocated items and eliminations							(1,113)	(973)
Total revenue							61,125	33,616

6 Special items

Special items are used in connection with the presentation of profit or loss for the year to distinguish consolidated operating profit from exceptional items, which by nature are not related to the Group's ordinary operations or investment in future activities.

Special items totalled DKK 404 million for the first quarter of 2022 comprising restructuring and reorganisation costs related to the acquisition of GIL.

The costs are part of the total integration costs of approximately DKK 1,000 million expected to be recognised in 2022

(DKKkm)	Q1 2022			Q1 2021		
	Reported income statement	Special items	Adjusted income statement	Reported income statement	Special items	Adjusted income statement
Revenue	61,125	-	61,125	33,616	-	33,616
Direct costs	48,248	84	48,332	25,831	-	25,831
Gross profit	12,877	(84)	12,793	7,785	-	7,785
Other external expenses	1,289	83	1,372	849	-	849
Staff costs	3,912	212	4,124	2,920	-	2,920
Operating profit before amortisation and depreciation	7,676	(379)	7,297	4,016	-	4,016
Amortisation and depreciation	1,180	26	1,206	949	-	949
Operating profit	6,496	(405)	6,091	3,067	-	3,067
Special items, expenses	404	(404)	-	-	-	-
Financial income	67	-	67	208	-	208
Financial expenses	396	(1)	395	229	-	229
Profit before tax	5,763	-	5,763	3,046	-	3,046

7 Share options schemes

DSV has launched a new 2022 share-based payment incentive scheme with the purpose of motivating and retaining key employees and senior management across the organisation and aligning the interests of these with our shareholders. Share options are awarded at all levels in the organisation, e.g. from team leads, specialists, branch managers, country managers, up to Executive Management.

Share options are granted pursuant to the latest DSV Remuneration Policy as adopted at the Extraordinary General Meeting held on 8 September 2021.

The share options granted are equity-settled and can be exercised by cash purchase of shares only during the exercise period. The obligation relating to the share options scheme is covered by the Company's treasury shares.

The exercise price of share options granted amounts to DKK 1,485 and has been determined based on the average quoted market price of the DSV share for the last five trading days

leading up to the date of grant at 31 March 2022, plus a strike premium of 12.7%.

The fair value of the 2022 share options granted amounts to DKK 279.8 million and has been determined based on a Black & Scholes valuation model.

Key assumptions applied in the valuation are:

Vesting period	01.04.2022-31-03.2025
Exercise period	01.04.2025-31-03.2027
Number of employees included	2,524
<i>Number of options granted:</i>	
Executive Board	198,250
Senior staff	2,442,650
Total	2,640,900
<i>Value assumptions:</i>	
Exercise price	1,485
Volatility (%)	18
Risk-free interest rate (%)	1.15

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today considered and adopted the Interim Financial Report of DSV A/S for the three-month period ended 31 March 2022.

The Interim Financial Report, which has not been audited or reviewed by the Company auditor, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and additional requirements in accordance with the Danish Financial Statements Act.

In our opinion, the Interim Financial Statements give a true and fair view of the Group's assets, equity, liabilities and financial position on 31 March 2022 and of the results of the Group's activities and the cash flow for the three-month period ended 31 March 2022.

We also find that the Management's commentary provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period, the general financial position of the Group and a description of the major risks and elements of uncertainty faced by the Group. Over and above the disclosures in the Interim Financial Report, no changes in the Group's most significant risks and uncertainties have occurred relative to the disclosures in the Annual Report for 2021.

Hedehusene, 27 April 2022

Executive Board:

Jens Bjørn Andersen
CEO

Jens H. Lund
COO and Vice CEO

Michael Ebbe
CFO

Board of Directors:

Thomas Plenborg
Chairman

Jørgen Møller
Deputy Chairman

Birgit W. Nørgaard

Marie-Louise Aamund

Beat Walti

Niels Smedegaard

Tarek Sultan Al-Essa

Benedikte Leroy