

DFDS FURTHER EXPANDS ISLAND OF IRELAND AND UK LOGISTICS NETWORK

- Acquisition of McBurney Transport Group
- The Group has revenue of DKK 1.3bn and over 800 employees
- Transaction enterprise value of DKK 1.2bn (GBP 138m)
- Accretive for ROIC (vs 8% target) and earnings per share from closing
- Financial leverage increase of 0.1x

DFDS has today entered into an agreement to acquire 100% of McBurney Transport Group headquartered in Northern Ireland. 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 majority of cold chain goods are moved for food producers and retailers requiring high reliability and efficiency. Warehousing, distribution, and other logistics services are also provided.

The acquisition of McBurney Transport Group is aligned with DFDS' strategic focus on cold chain logistics, it overlaps with existing activities in the region, and offers opportunities to connect with other parts of DFDS' pan-European transport network.

"The acquisition of McBurney Transport Group greatly enhances the scope of our customer offerings on the island of Ireland and in the UK, particularly towards the resilient food sector. It also brings considerable scale to our existing operations in the region", says Torben Carlsen, CEO of DFDS.

"By becoming part of DFDS we gain access to new development opportunities. I am certain the wider market coverage, including access to DFDS' extensive transport network, will benefit our many longstanding customers. I am confident that our many loyal and dedicated employees will be comfortable and happy after this transaction", says Norman McBurney, OBE, founder of McBurney Transport Group.

About McBurney Transport Group (McBurney)

The core activity of McBurney is the transport of full and part-load trailers between island of Ireland and the UK by road and ferry. Most of the trailers are temperature-controlled units. McBurney annually transports more than 100k trailers across the Irish Sea.

McBurney is headquartered in Ballymena, Northern Ireland, and operates from eight different locations: three in Northern Ireland, one in Ireland, three in England and one in Scotland. In Liverpool, McBurney operates a 25,000-pallet cold store, which facilitates the transport of cold chain goods throughout the UK.

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About DFDS

DFDS provides ferry and transport services in and around Europe, generating annual revenues of around DKK 25bn.

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

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

Our 11,000 employees are located on ferries, terminals, distribution centres, and in offices across 20 countries. DFDS was founded in 1866, headquartered in Copenhagen, and listed on Nasdaq Copenhagen.

Disclaimer

The statements about the future in this announcement contain an element of risk and uncertainty which means that actual developments may diverge significantly.

Operating under the name Bondelivery, McBurney also owns a 10,000 m² ambient warehouse in Northern Ireland focused on fulfilment for the retail sector and last mile delivery on the island of Ireland.

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McBurney is an asset-backed transport provider to ensure the reliability, flexibility, and efficiency required by food producers and the retail sector. The company has over 800 employees and operates around 400 trucks and 1,360 trailers of which 955 are refrigerated trailers. The majority of the equipment is owned.

In 2021, McBurney's revenue was DKK 1.0bn and for 2022, revenue is expected to increase to DKK 1.3bn. The Group's EBITDA was DKK 160m in 2021 (before adjusting for IFRS 16). McBurney was founded in 1965 by Norman McBurney, OBE.

Strategic fit

The acquisition is aligned with DFDS' strategy of growing solutions within cold chain logistics. The acquisition also develops and expands DFDS' transport network that is focused on moving goods in trailers by road, rail, and ferry.

McBurney will become part of the Logistics Division's Cold Chain business unit. The integration of McBurney is expected to generate synergies. Expected synergies and an integration plan will be disclosed in connection with the closing of the transaction.

Transaction structure and financing

DFDS acquires McBurney for a debt-free price of DKK 1.2bn (GBP 138m). Existing cash funds will be used for the transaction payment.

The transaction is expected to increase DFDS' financial leverage, NIBD/EBITDA, by 0.1x on a pro forma basis.

The transaction is expected to be ROIC accretive vs DFDS' 8% minimum after tax return target and to be accretive to earnings per share (EPS) from closing.

Closing of the transaction is subject to regulatory approval.

The map shows locations of McBurney Transport Group's eight warehouses and depots.

