

GOOD PROFIT GROWTH AND STRONG CASH FLOW FROM OPERATIONS

- Operating profit increased by 11% in 2013 to DKK 1.2bn
- Pre-tax profit increased by 36% to DKK 367m
- Cash flow from operations increased by 64% to DKK 1.5bn
- Distribution of DKK 386m through dividend and share buy-back
- In 2014, an operating profit of DKK 1.25-1.40bn is expected

In 2013, DFDS achieved an increase in operating profit (EBITDA) of 11% to DKK 1,213m before special items. Turnover increased by over 3% to DKK 12.1bn. Higher capacity utilisation and operational efficiencies improved the operating margin from 9.3% in 2012 to 10.0% in 2013. Profit before tax and special items increased by 36% to DKK 367m.

“Progress was achieved partly through a sharp focus on customers, which has strengthened our market share, and partly through continuous streamlining of operations. We have benefited from growth in the North Sea market, but declining activity in Russia has reduced volumes in the Baltic Sea region. We improved our result in the English Channel, but the area remains a major challenge,” says DFDS’ CEO Niels Smedegaard.

Following a focused effort in 2013, we succeeded in releasing cash of over DKK 300m from working capital. This contributed to increase cash flow from operations to DKK 1.5bn. The free cash flow (FCF) of DKK 558m equals a cash flow yield of 10%.

In accordance with DFDS’ capital and distribution policy, a dividend of DKK 14.00 per share of nominal value DKK 100, equal to DKK 186m, and a share buy-back of DKK 200m is proposed (see separate announcement on share buy-back).

Outlook for 2014

“DFDS is strongly positioned, both financially and strategically, even though market growth is expected to remain low and competitive pressures will persist. In 2014, we will continue to work on creating synergies by expanding our European network through acquisitions. Our focus on improvements and streamlining will continue at full strength,” says Niels Smedegaard.

Revenues are expected to rise by around 6%, of which 2% points reflect the full-year impact of company acquisitions in 2013. Operating profit (EBITDA) is expected to be DKK 1,250–1,400m before special items. The result for 2014 will still be negatively impacted by operations on the Channel, irrespective of the UK competition authorities’ final decision in May. Investments are expected to comprise around DKK 1.1bn.

DFDS key figures DKK m	Change,				Q4			
	2013	2012	%	Change	2013	2012	%	Change
Revenue	12,097	11,700	3.4	397	2,994	2,886	3.7	108
EBITDA before special items	1,213	1,089	11.4	124	277	184	50.5	93
Profit before tax and special items	367	270	35.9	97	67	-23	n.a.	90
Special items	-17	-124	n.a.	107	1	-27	n.a.	28
Profit before tax	350	146	139.7	204	68	-50	n.a.	118

DFDS’ Annual Report for 2013 is published and available on www.dfdsgroup.com.

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DFDS profile

DFDS provides shipping and transport services in Europe, generating annual revenues of EUR 1.6bn.

To over 8,000 freight customers, we deliver high performance and superior reliability through shipping & port terminal services, and transport & logistics solutions.

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

Our 6,000 employees are located in offices across 20 countries. DFDS was founded in 1866, is headquartered in Copenhagen, and listed on NASDAQ OMX Copenhagen.

Annual Report conference call will be held today at 10.00 CET

The teleconference can be accessed through the following telephone numbers:

+353 1 43 64 265 (Ireland)
+44 208 817 9301 (UK)
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Disclaimer

The statements about the future in this announcement contain an element of risk and uncertainty, both in general and specific terms, and this means that actual developments may diverge considerably from the statements about the future.