E-NAVIGATION CONFERENCE

PRESENTATION OF DFDS

HOW DO WE PREPARE FOR THE FUTURE?

January, 2018

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President & CEO


DFDS
JUBILEE

Main topics:

1. What we do
2. How we perform
3. **How we prepare for the future**

WHAT WE DO

DFDS structure, ownership and earnings split

DFDS Group

People & Ships
Finance

Shipping Division

- 57 vessels
- 7 terminals

Logistics Division

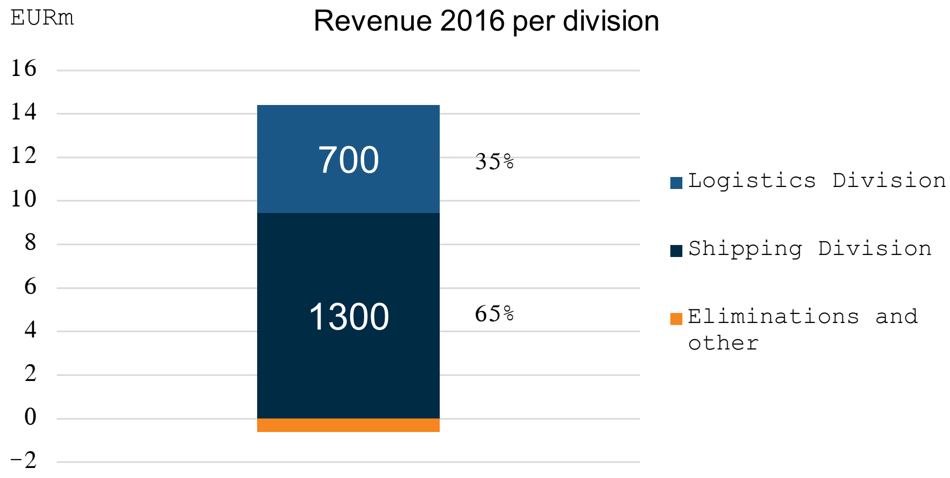
- 5000 trailers
- 4000 containers

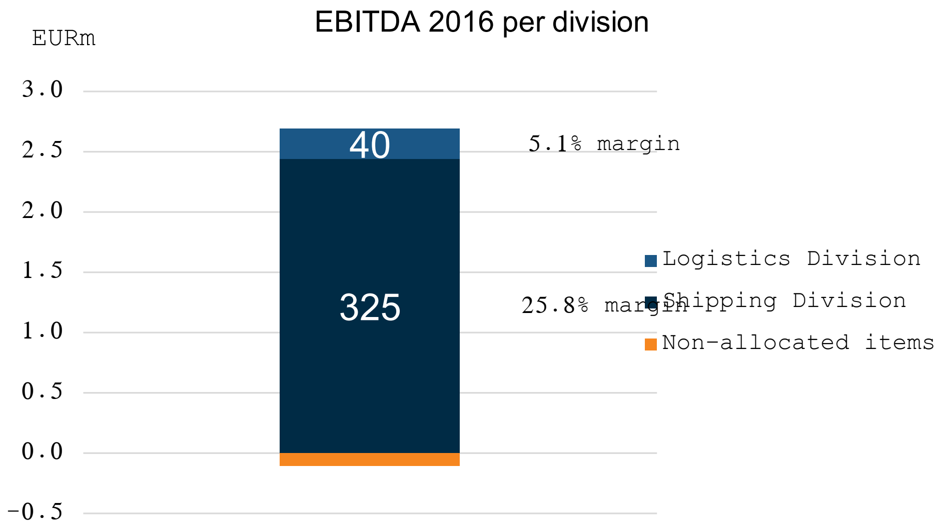
DFDS facts

- Founded in 1866
- Activities in 20 European countries
- 7,700+ employees

Shareholder structure

- Listed on Copenhagen Stock Exchange
- Lauritzen Foundation: 42%
- Foreign ownership share: ~30%





Freight shipping, logistics and passengers – three businesses

	Freight Shipping	Logistics solutions	Passenger routes
Key services	▪ Trailers, unaccompanied & accompanied ▪ Industry solutions	▪ Door-door full & part loads ▪ Contract logistics	▪ Overnight ▪ Day ▪ Transport/holiday ▪ Cruise ferry
	Freight	Freight	
Share of Group revenue			
	80% freight	80% freight	20% pax

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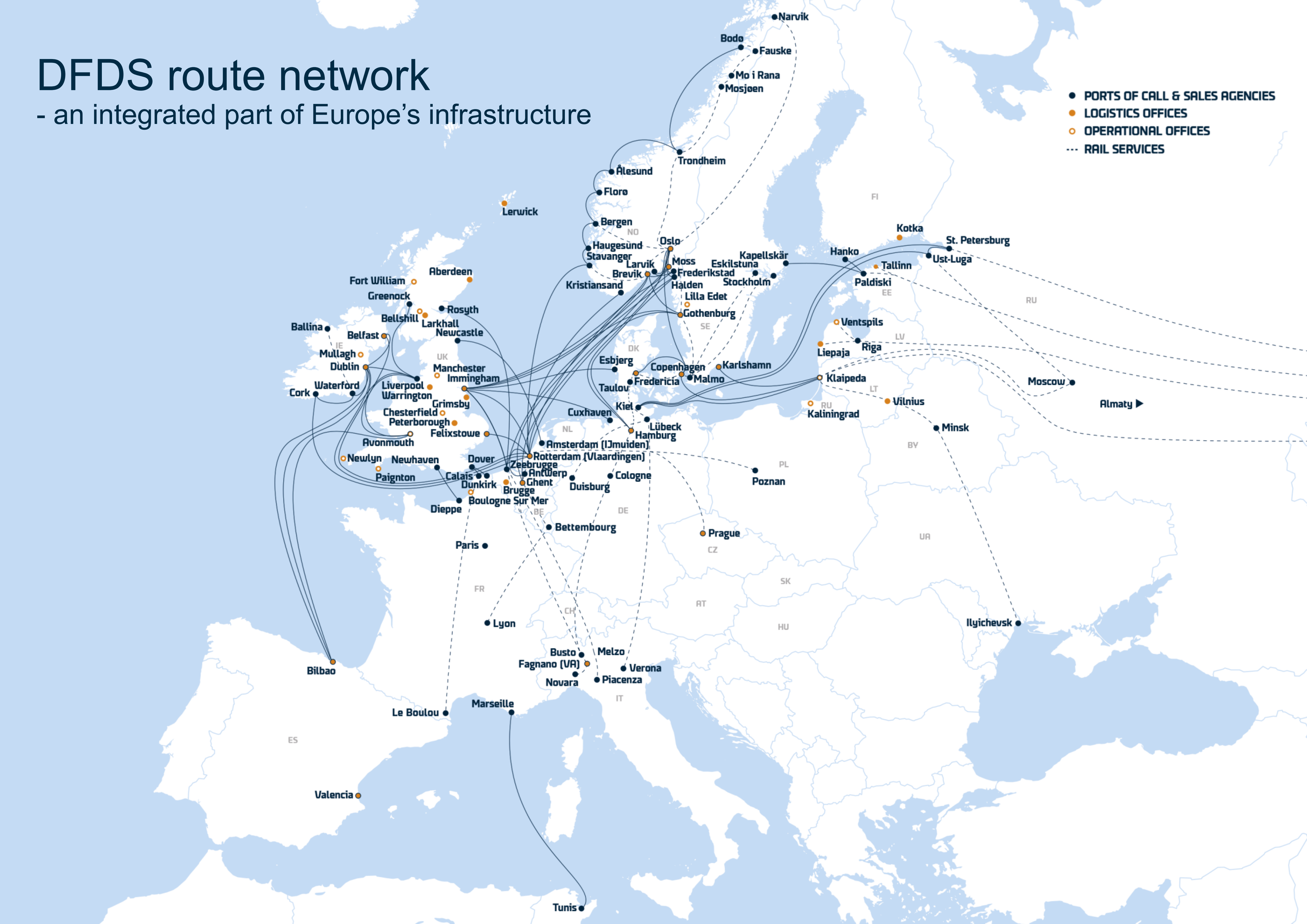
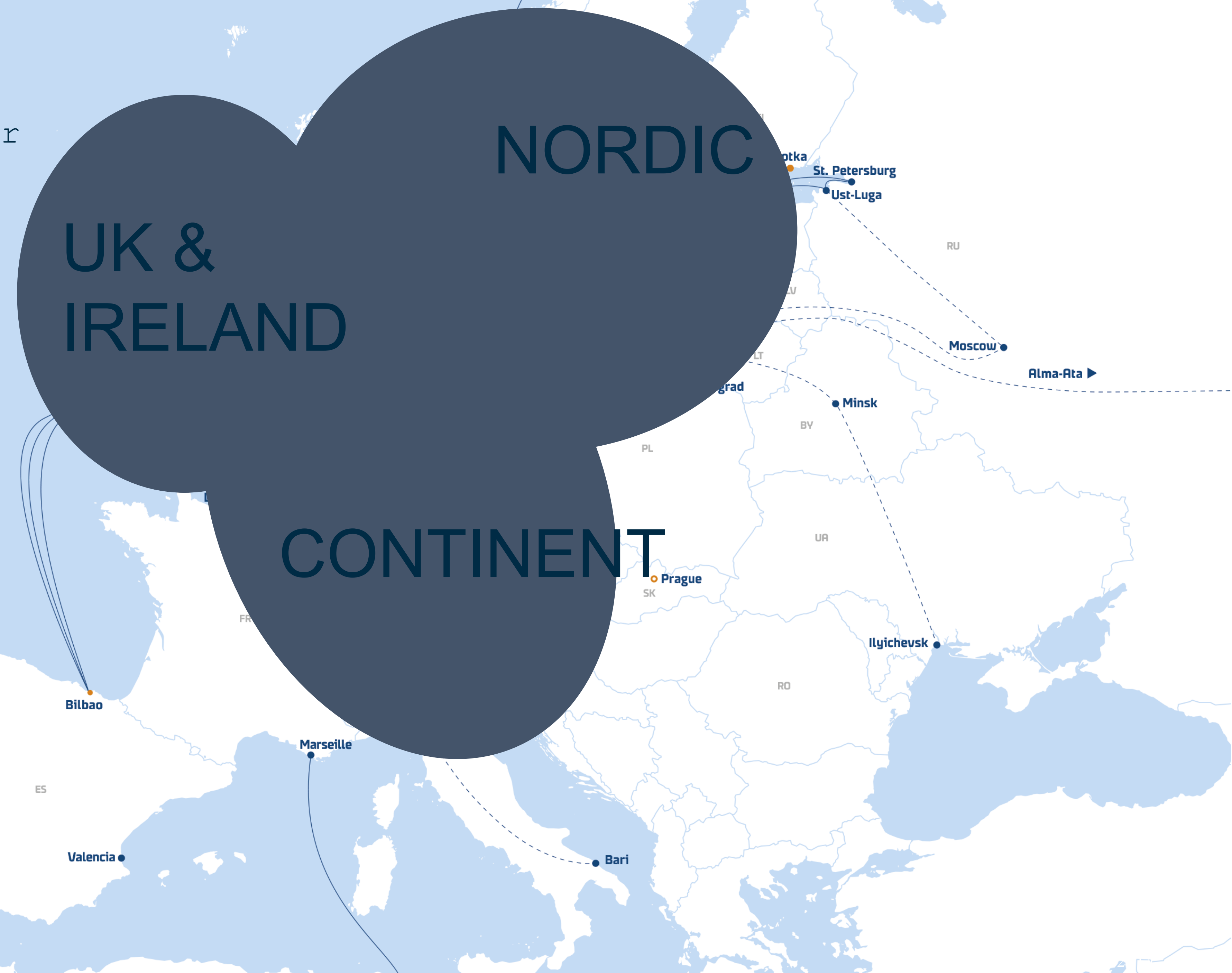
DFDS route network

- an integrated part of Europe's infrastructure



Logistics division is a key customer of the route network

- Top 3 customer of Shipping division
- 8% of total shipping volumes



OUR HARDWARE...

Day ferry (ro-pax). Channel, e.g. Dove
Dunkirk

Freight only (ro-ro) . North Sea, e.g. Gothenburg
Immingham

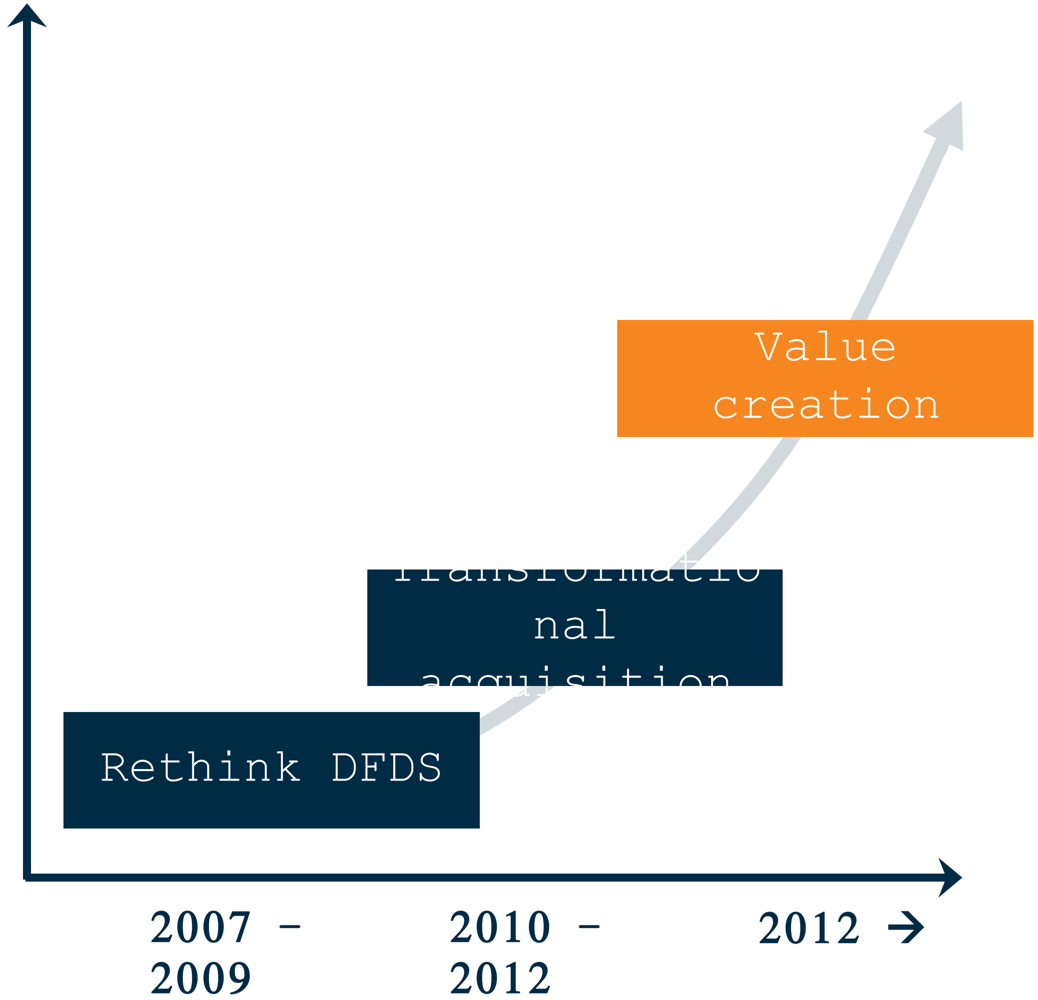
Passengers with freight (cruise ferry). Passenger,
e.g. Copenhagen-Oslo

Combined freight and passengers (ro-pax). Balt
e.g. Kiel-Klaipeda

- Our terminals are an integrated part of the supply chain

HOW WE PERFORM

Our three key change phases so far…



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The DFDS WAY has become our "DNA" and key to our success

THE DFDS WAY

Our operating model

How we work

- Customer driven
- Continuous improvement
- Best practice
- Leveraging scale
- Performance culture

Our behaviors

How we act

WE CARE WE SERVE OUR CUSTOMERS WITH PASSION WE LISTEN BEFORE MAKING DECISIONS WE DO WHAT WE SAY WE´LL DO IF WE SEE A PROBLEM, WE FIX IT WE LEARN, DEVELOP AND IMPROVE EVERY DAY

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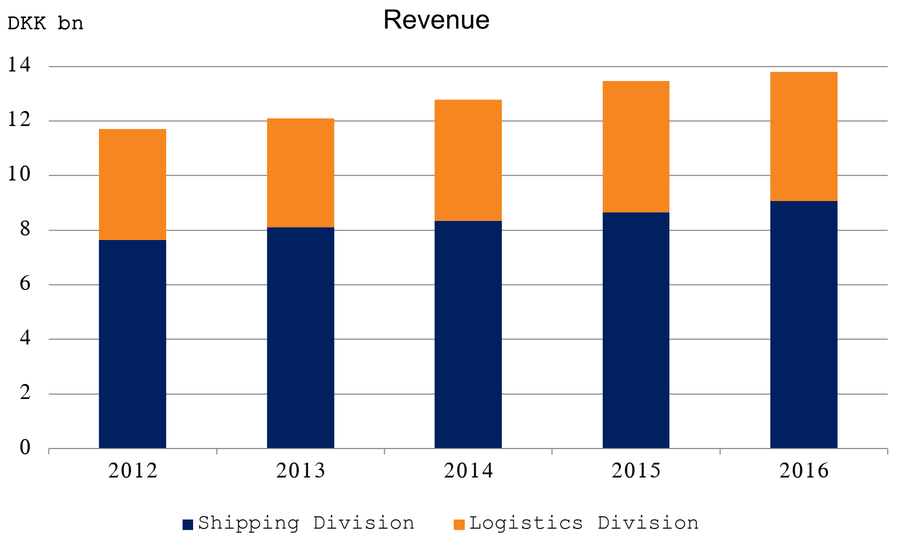
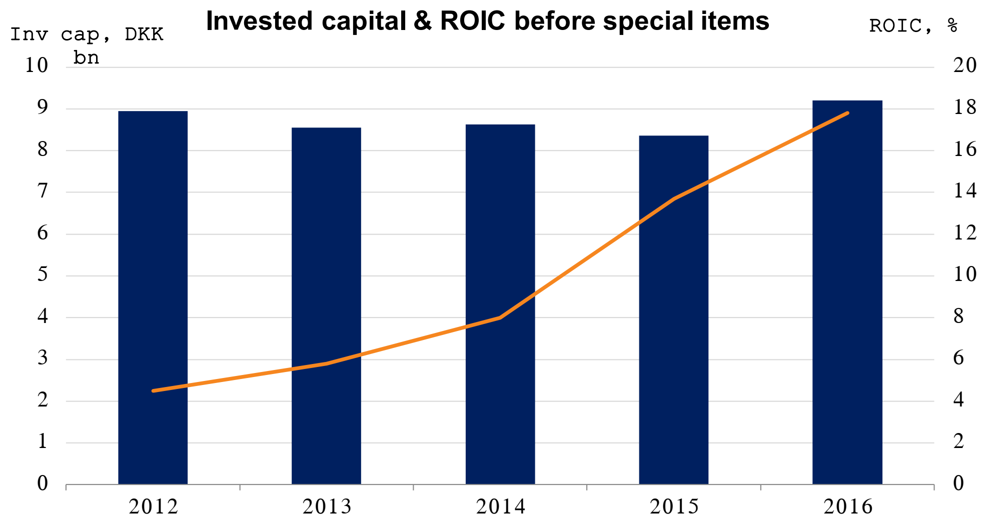
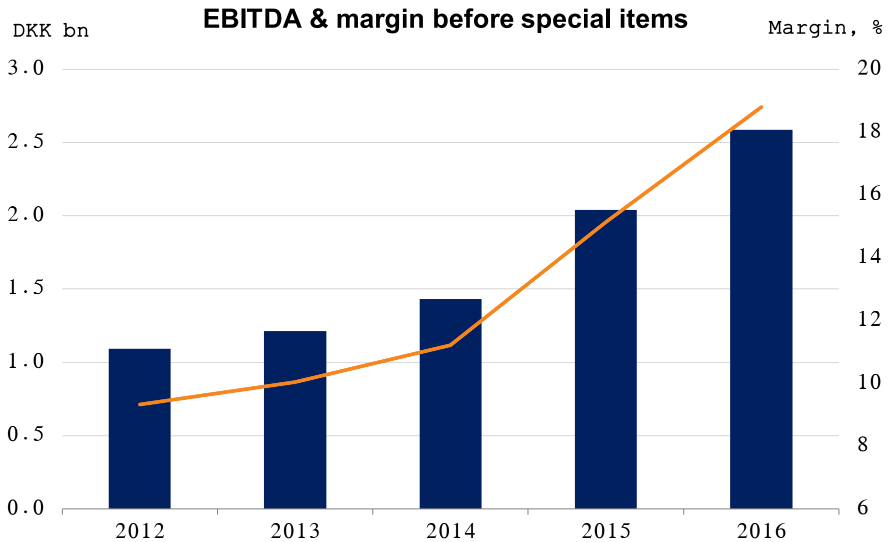
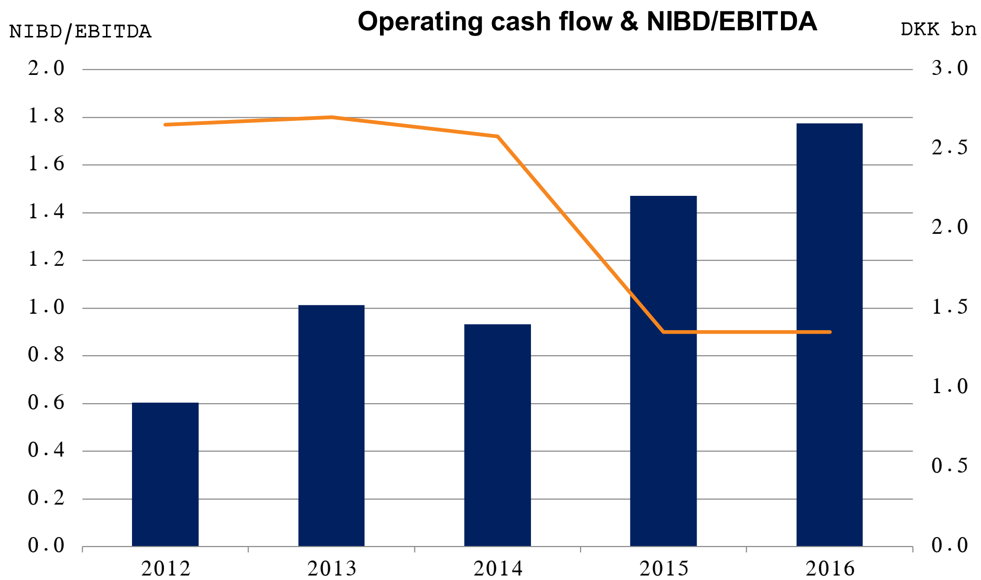
A nice development in key financial measures









The ultimate proof of our value creation success

The transportation and logistics top 10, 2012-2016 (Boston Consulting Group)

	Company	Location	Avg. annual TSR[1], (%)	Market value[2], ($bn.)
1	DFDS	Denmark	40.0	2.6
2	National Shipping	Saudi Arabia	34.0	4.6
3	Macquarie Infrastructure	United States	31.2	6.7
4	XPO Logistics	United States	28.4	4.8
5	Old Dominion Freight Line	United States	26.0	7.1
6	DSV	Denmark	26.0	8.3
7	Deutsche Post	Germany	25.7	39.4
8	Sinotrans	China	25.4	2.1
9	Central Japan Railway	Japan	25.2	32.4
10	TFI International	Canada	25.1	2.4

- Total shareholder return for 44,000 companies
- Only listed companies from 2012 through 2016
- 28 industry groups with a valuation above USD 2bn

Note 1: TSR: Total Shareholder Return (Shareprice increase + dividend yield)
Note 2: As of December 2016

HOW DO WE PREPARE FOR THE FUTURE?

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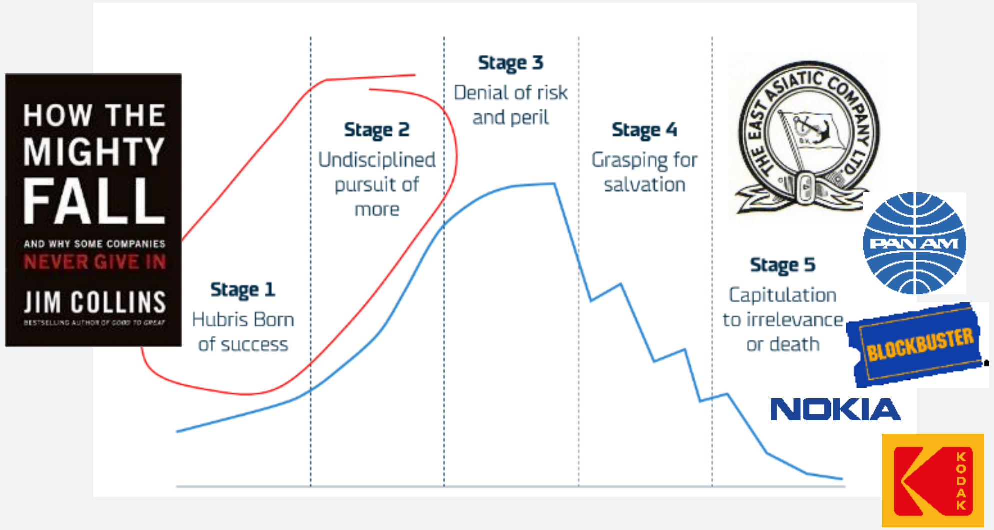
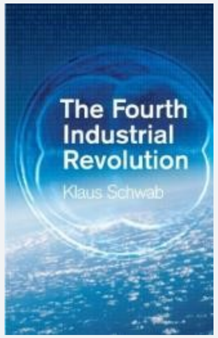
Two main areas of challenges…

We must avoid complacency



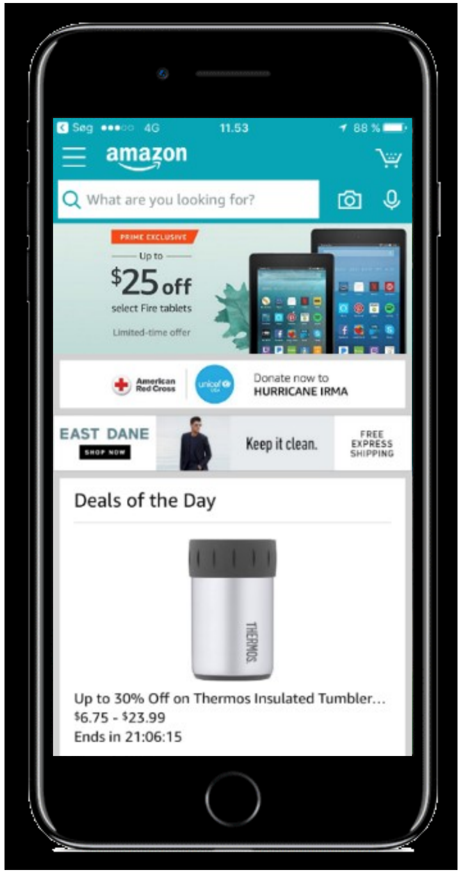
Dramatic "digital" change at exponential speed is all around us

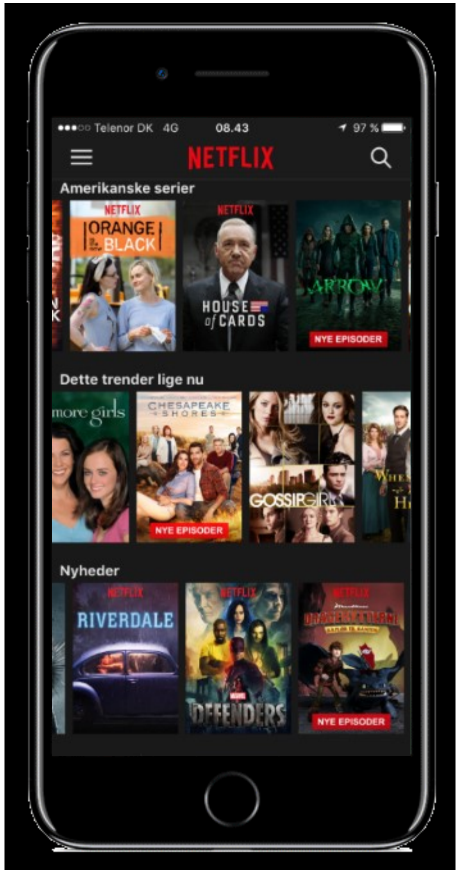


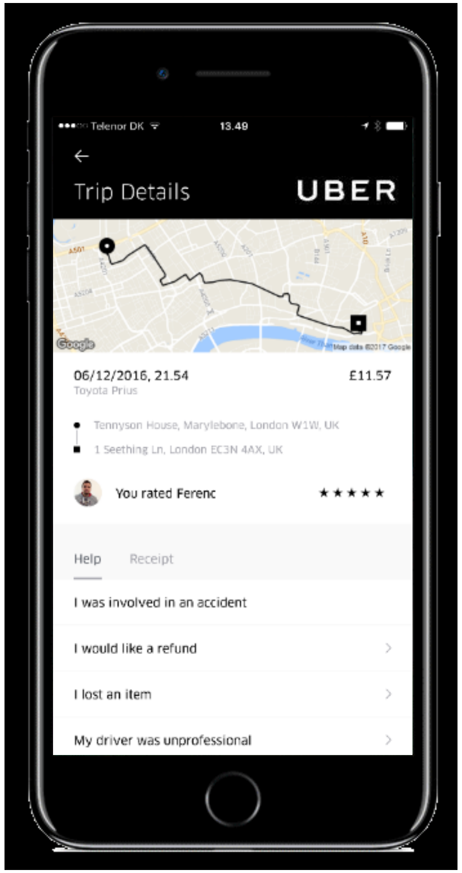
"Nearly one-tenth of public companies disappear each year – a fourfold increase in mortality since 1965."

Boston Consulting Group

Disruption may seem far away, but we are all users…







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New technologies hitting our driveway…

Do our new behaviors have an impact?

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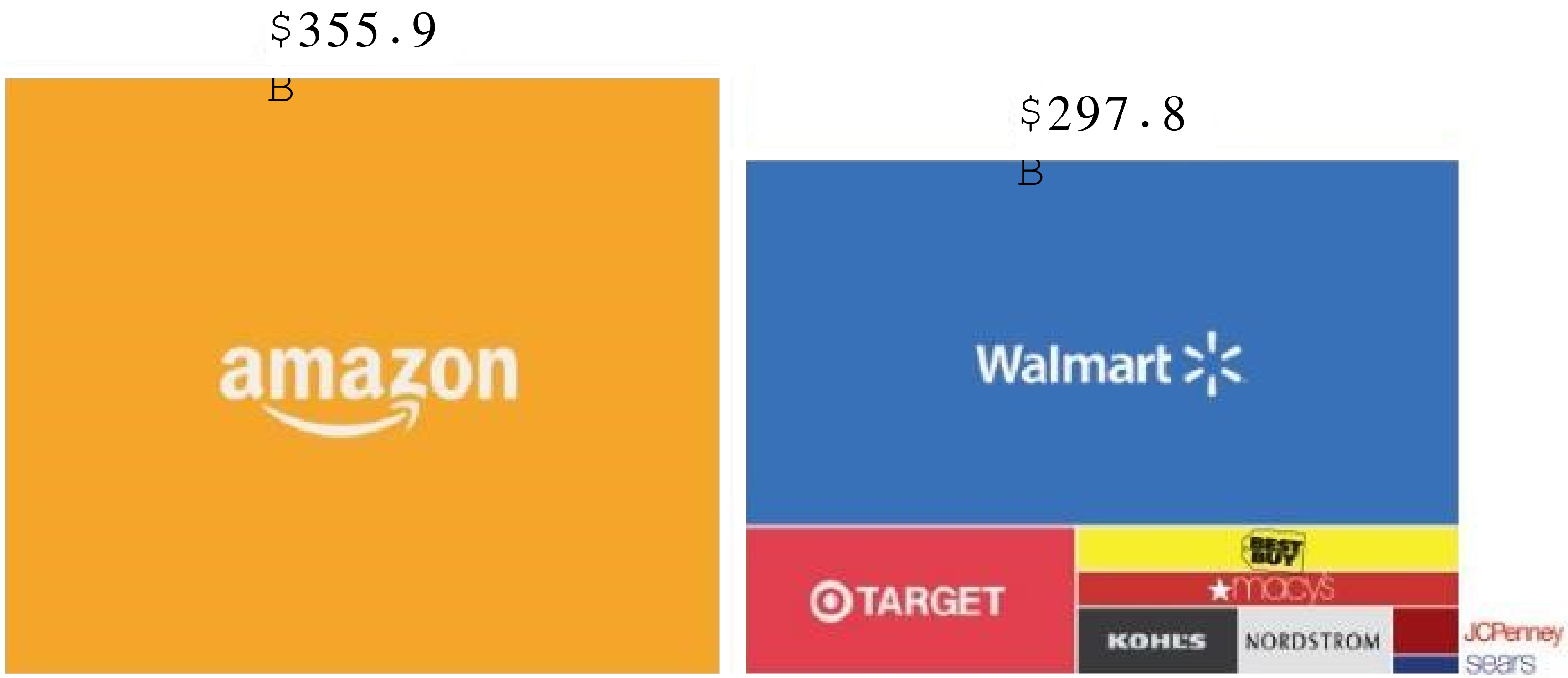
You bet they do!

Market capitalization



Market capitalization as of 30 December 2016

It started slowly 10 years ago…

Company	Market value 2006	Market value 2016	% Change
sears	$27.8B	$1.1B	96%
JCPenney	$18.1B	$2.6B	86%
NORDSTROM	$12.4B	$8.3B	33%
	$24.2B	$8.8B	64%
macy's	$24.2B	$11.0B	55%
	$28.4B	$13.2B	54%
TARGET	$51.3B	$40.6B	21%
Walmart	$214.0B	$212.4B	1%
amazon	$17.5B	$355.9B	1,934%

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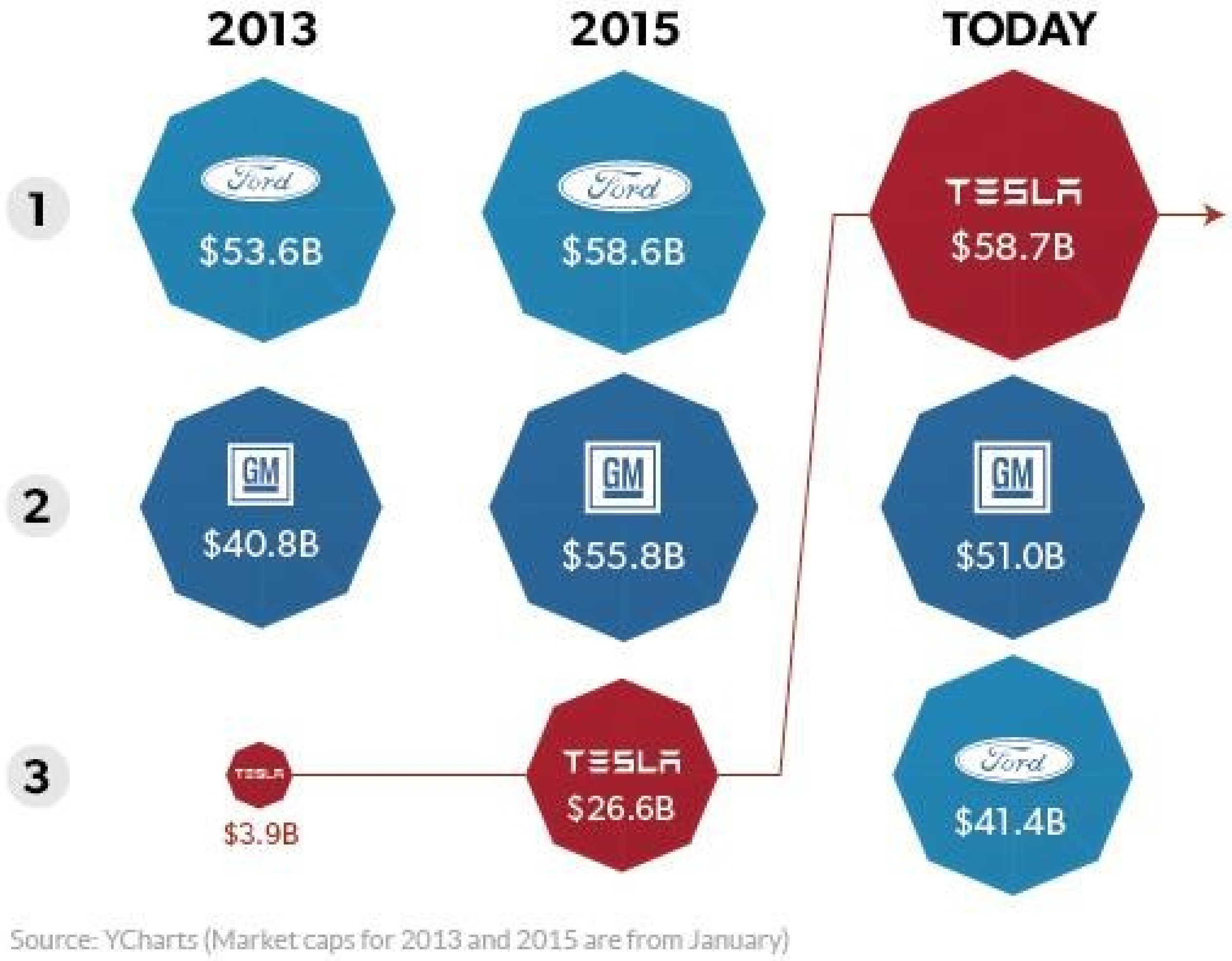
…with a new technology it can go even faster



So what are the lessons?

- It may feel like small incremental changes in technology, but over time the impact is huge and dramatic
- It is just so difficult for “old” companies to adapt to the accelerating change in technology…

…but it is not impossible

Disruption will come, also to more traditional businesses…

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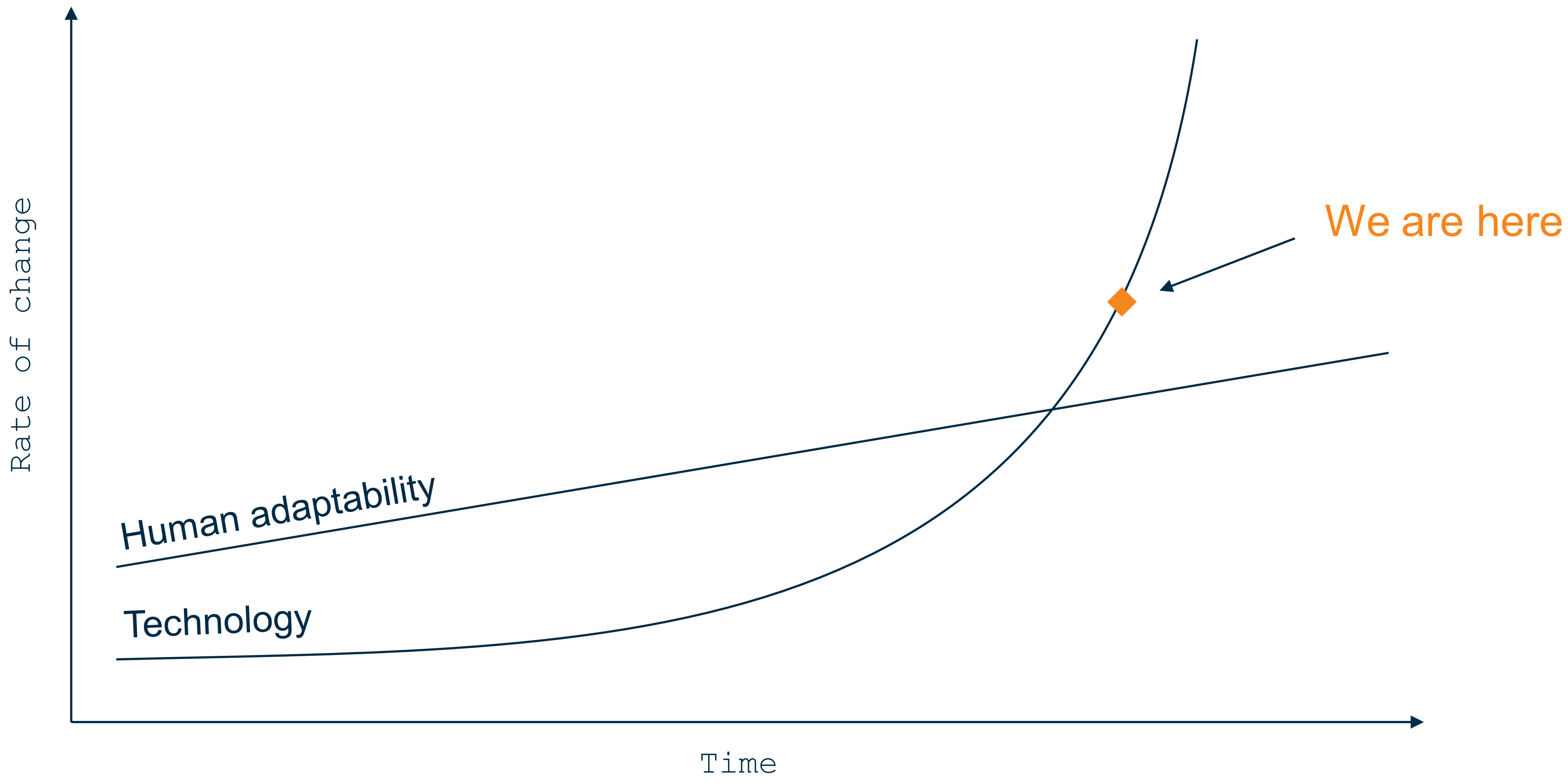
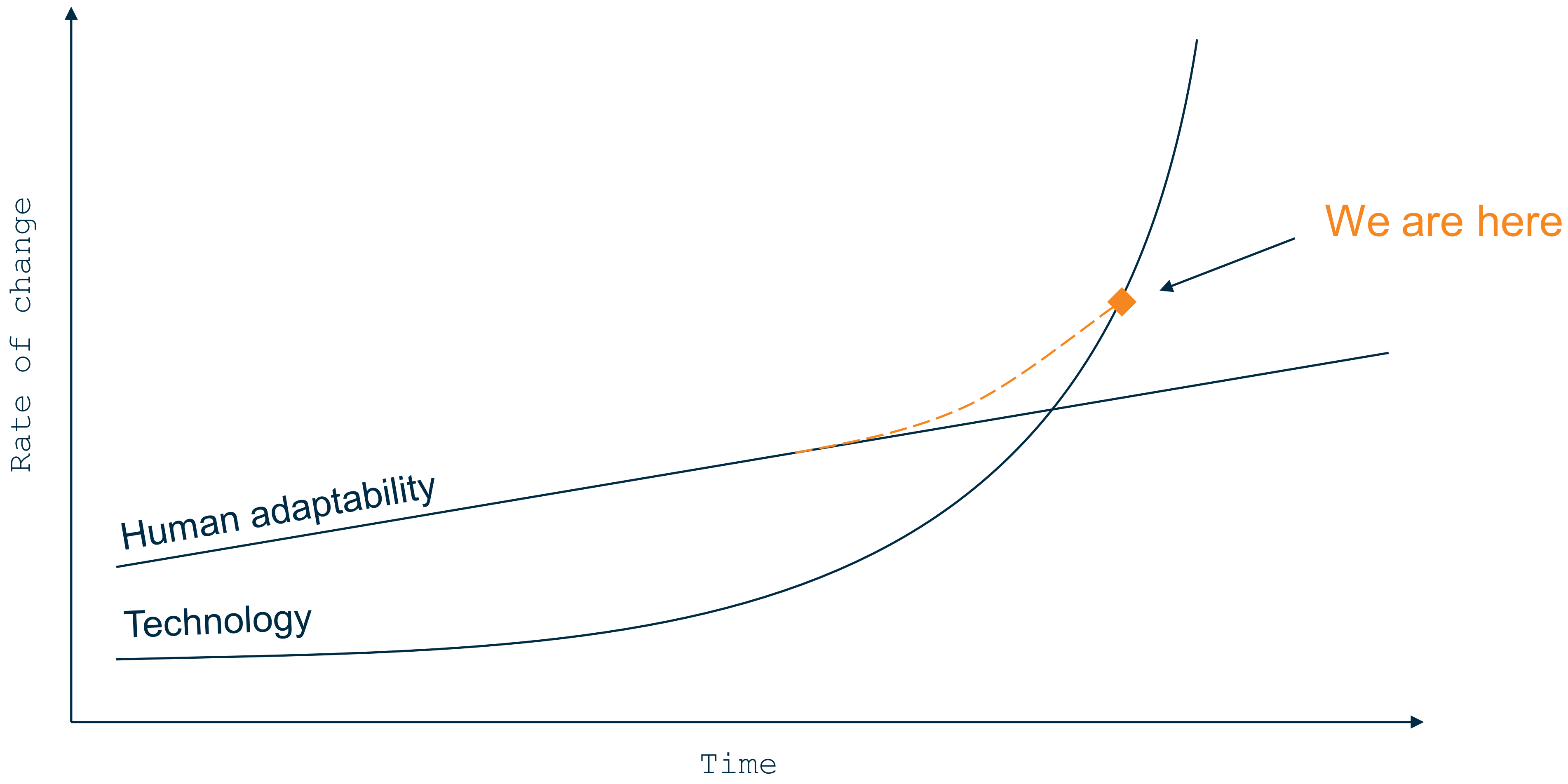
The challenge!



The challenge!



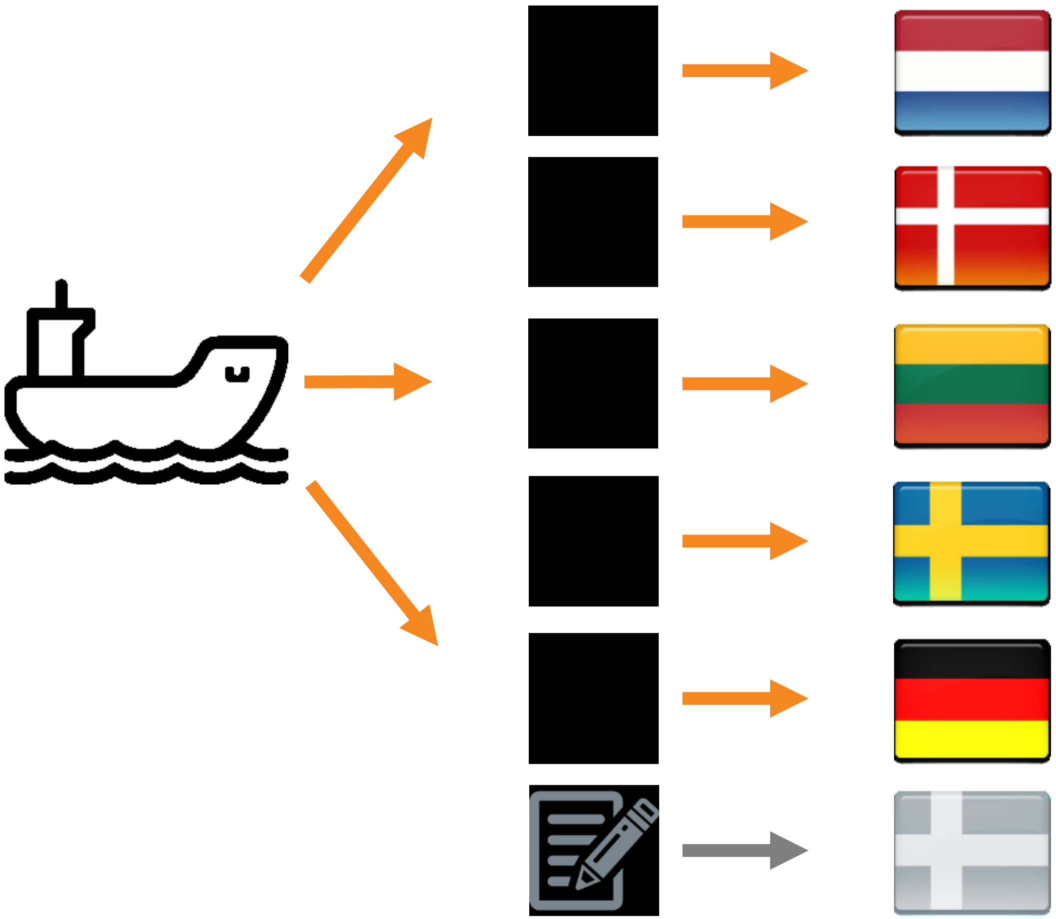
Case study:

The National Single Window (NSW) project in the EU

Vessel reporting structure in the old system

Reporting structure before NSW

Individual shipping companies | "Paper based" reporting templates | National maritime authorities



Previous Set-up

- "Paper based" systems between national authorities and shipping company
- Submission via emails, fax or use of ship agents
- However, easy to "re-

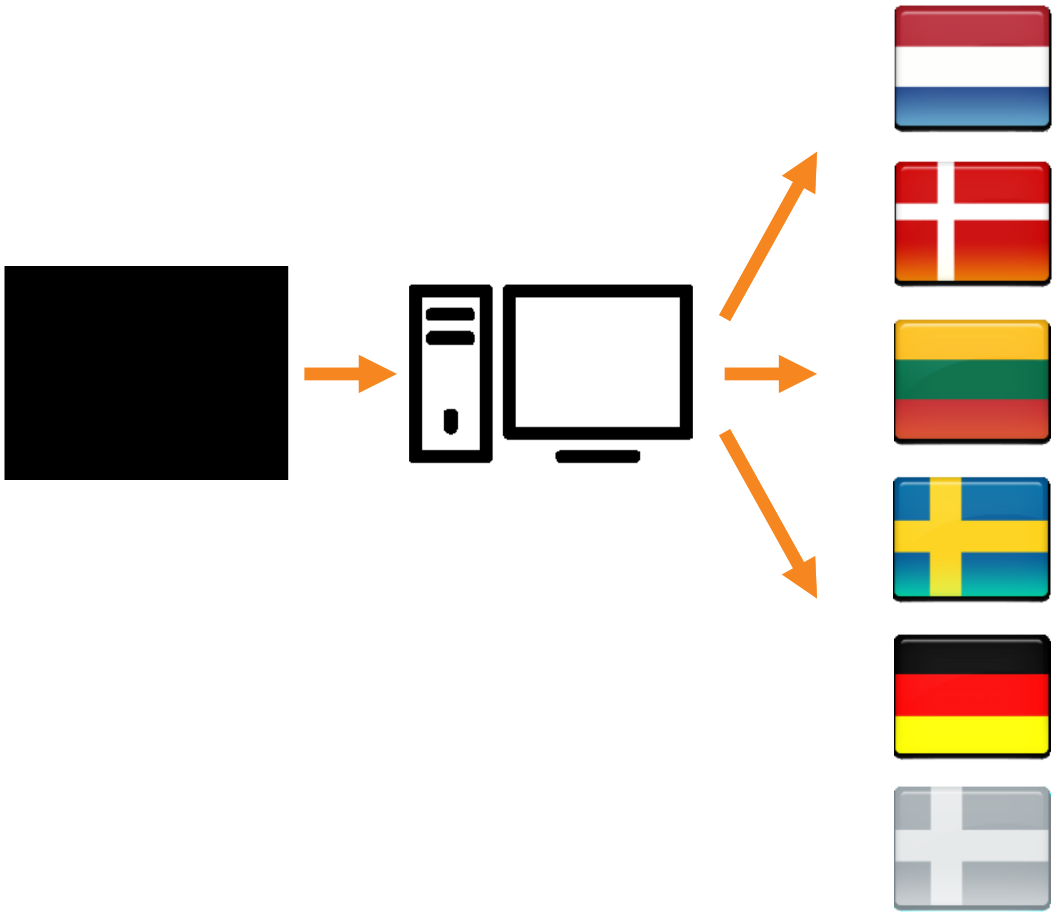
Challenges

- Risk of errors and duplications in documentation
- Less transparency
- Time consuming from a national authority point of view

The intended ”National Single window” would benefit all parties

Intended reporting structure

Individual shipping companies → One electronic touch point reporting → National maritime authorities



Intended set-up

- Simplify and harmonize the admin burden when reporting “Go digital”
- Clear definition on intended set-up – however, the countries were responsible for developing their own systems

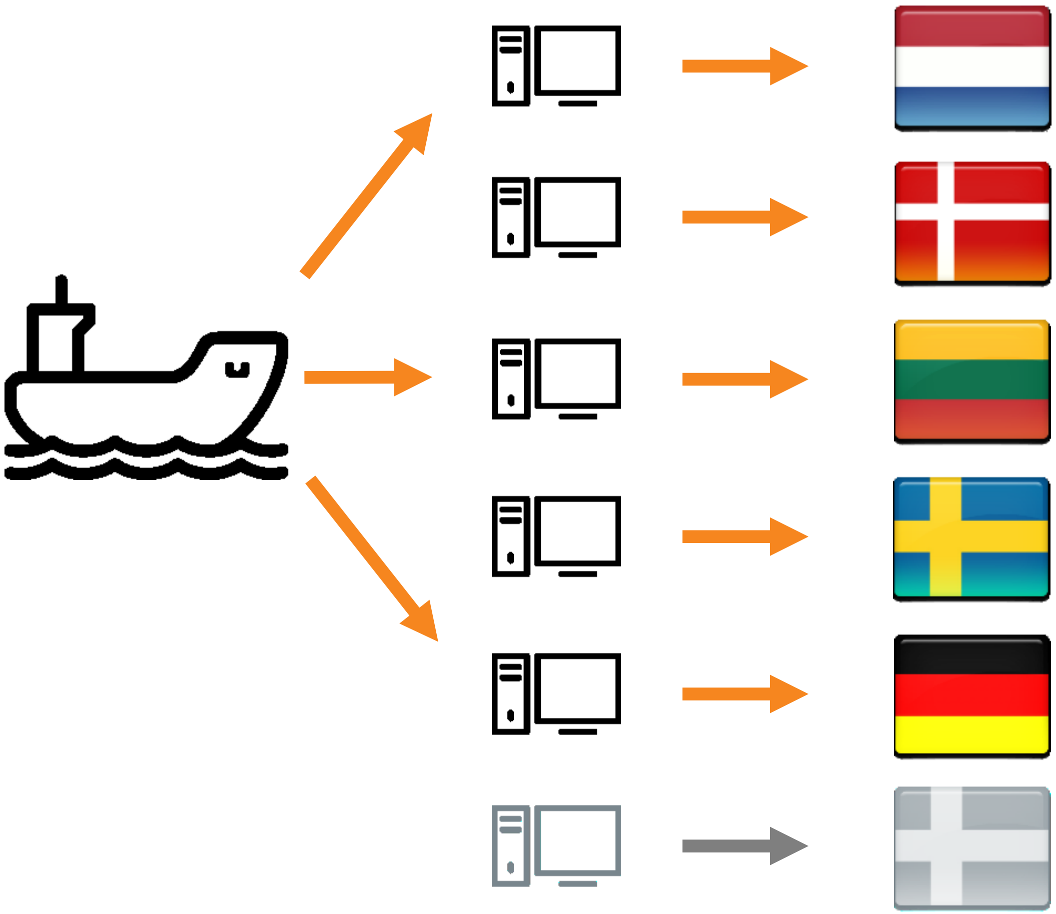
Benefits (in theory)

- One single, simple reporting set-up for the shipping company and authorities
- Further transparency and easy sharing of data across national authorities

… however it ended up creating an even bigger burden on the shipping companies

Actual reporting structure

Individual shipping companies	Multiple touch point reporting	National maritime authorities



Actual set-up

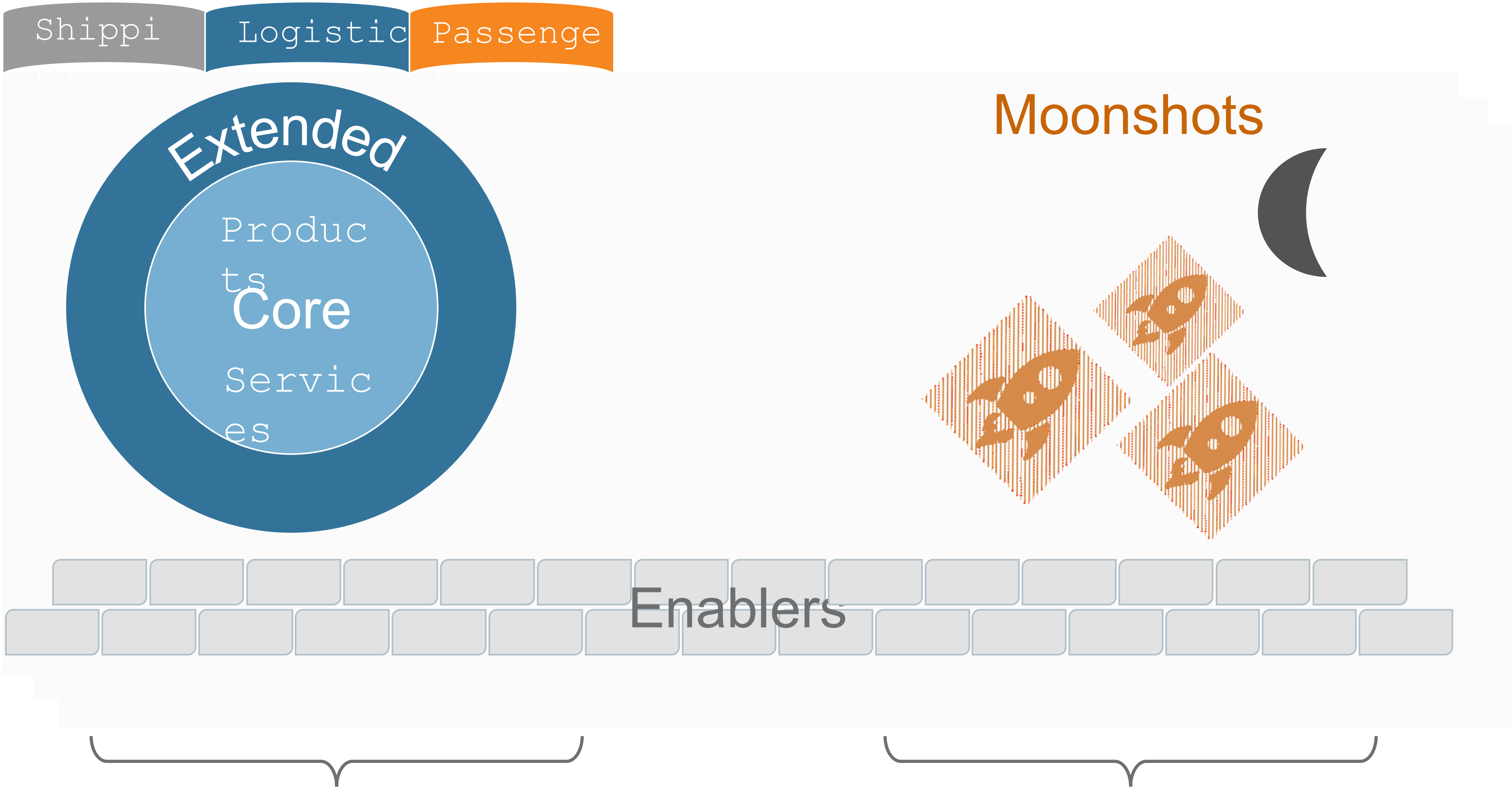
- Member states have developed their own systems – no coordination from the industry's point of view
- Shipping companies to report to multiple national systems
- Cumbersome online reporting

Challenges

voyage – no easy duplication of data

- High IT cost (EDI/infrastructure set-up for shipping companies)
- Online reporting is difficult for vessels due to little upload speed (satellite) and server capacity
- Unclear roll out – differs from country to country
- DFDS has 30.000 voyages/year @ 1.5 hours per trip equals 25 man

Scope of our digital transformation



Digitise our existing business

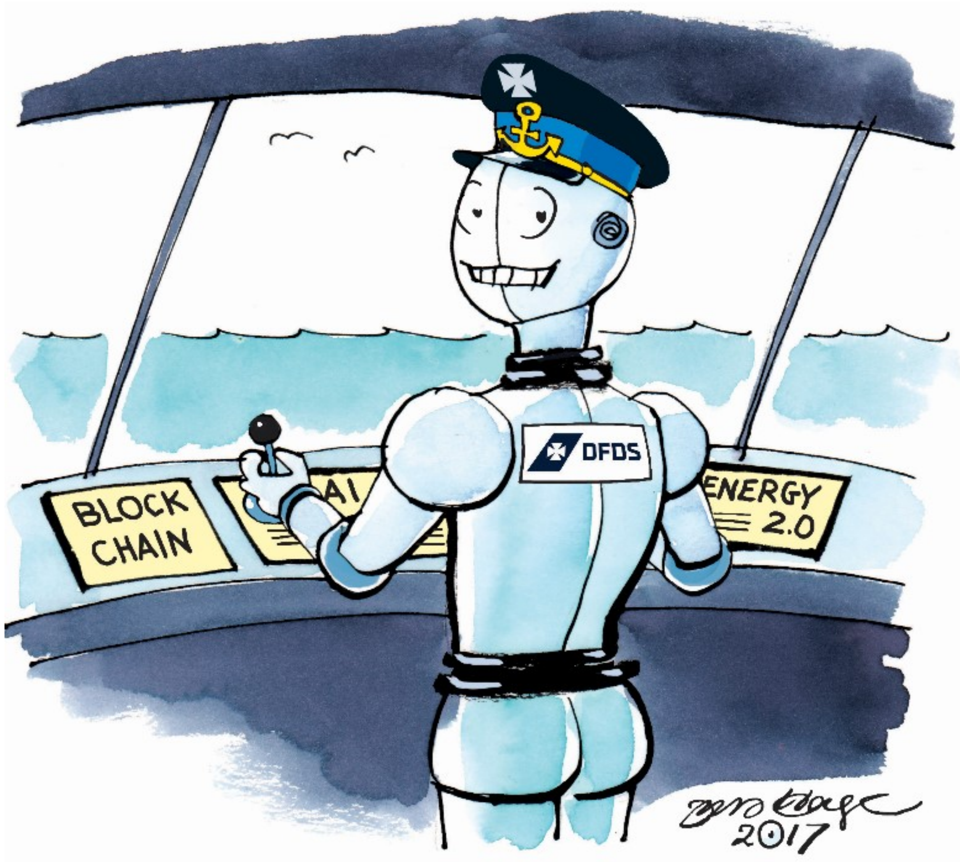
Business model innovation

DFDS
DFDS Ferry
Alerts app
Alerts
Check-in Closed
Today 09:35
10:40 Dover — Calais
30 Aug 2017
10:40 Expected departure
13:10 Expected arrival
Check-in Open
12:15 Dover — Calais
30 Aug 2017
12:15 Expected departure
14:45 Expected arrival
Check-in Open
12:00 Dover — Dunke
Alert settings
Sailings
View schedule
Dover — Calais
Follow all
Dover — Dunkerque
Today
30 August 2017
Departs
Arrives
Follow
On Schedule
06:00
09:00
08:00
11:00
10:00
13:00
12:00
15:00
Following
Alerts

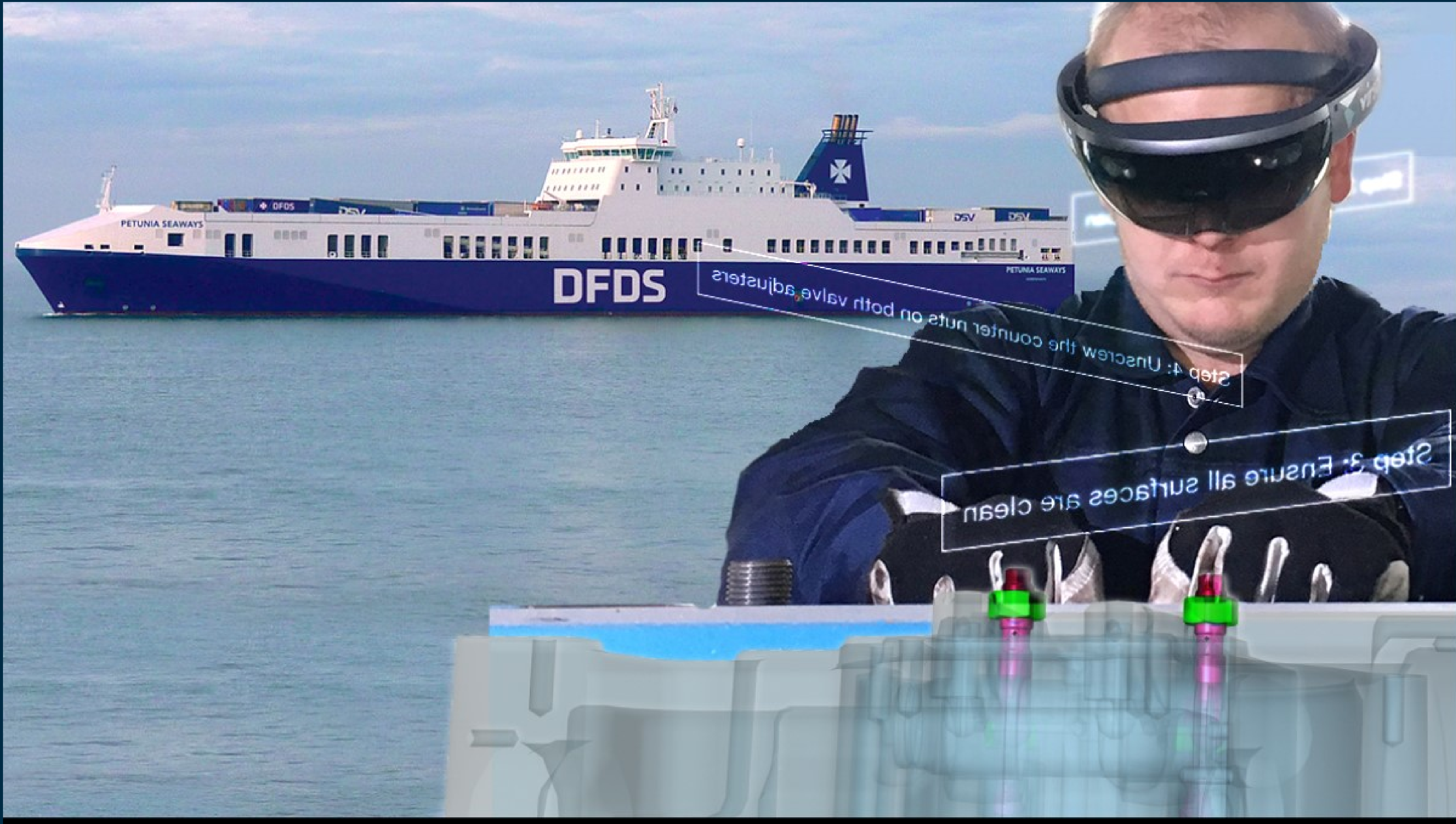
DFDS Terminal app

Technologies we follow and test in DFDS

- Autonomous vehicles/vessels
- Augmented reality
- Energy 2.0
- Big data
- Blockchain
- Robotics



AUGMENTED
reality



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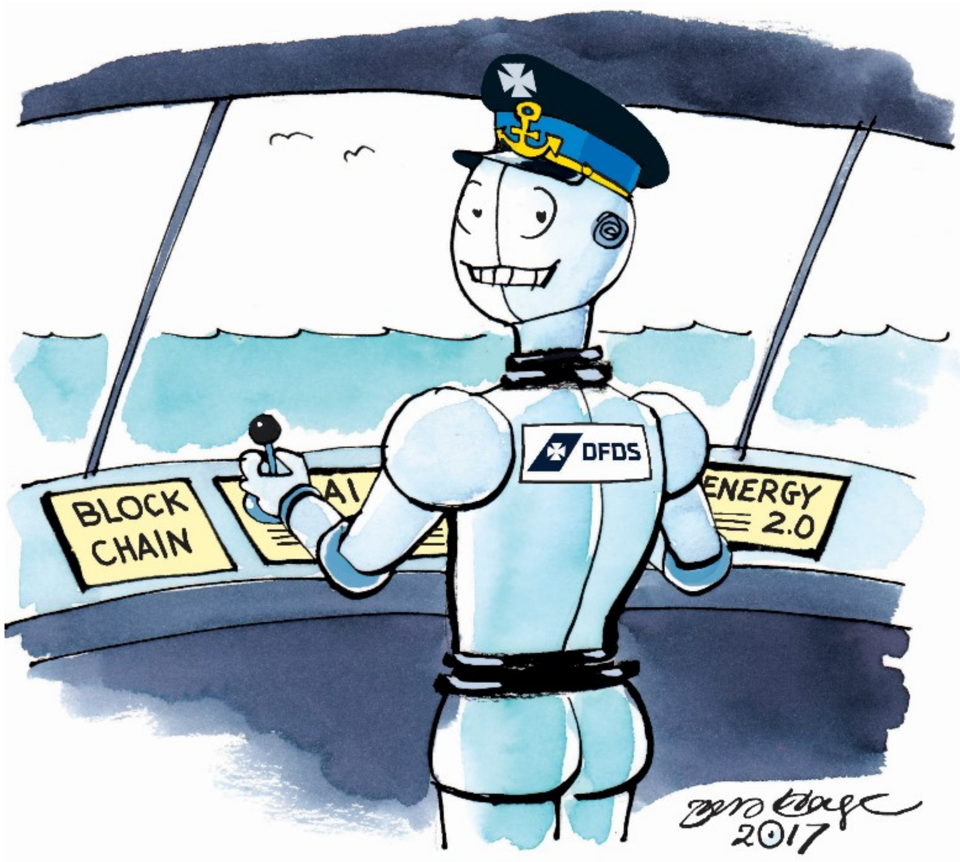

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Please remember….

"We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten."

Bill Gates

THANK YOU