COMPANY ANNOUNCEMENT

DFDS SETS NEW STRATEGIC AND FINANCIAL AMBITIONS FOR NEXT 5 YEARS

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It is DFDS' ambition to continue growing both revenue and earnings considerably over the next 5 years by leveraging the skills of our people, new technologies and the wide range of services provided to customers by our ferry and logistics networks.

We aim to:

1. Grow solutions to select industries
2. Digitise services to accelerate growth
3. Develop and expand the ferry and logistics networks
4. Create more value for passengers

These four strategic pillars will be the key growth drivers over the next 5 years in addition to market growth. Market growth is currently weakened by renewed uncertainty about Brexit and a slowdown in manufacturing in and around Europe.

Our financial ambition is to achieve an EBITDA of around DKK 5.5bn in 2023 compared to DKK 3.6bn for 2018. The uncertainty related to achieving the financial ambition is estimated at around 10%.

"Our ambition exceeds the outlook for continued modest market growth. Therefore, our strategy is to leverage the reach and strength of our network to do more for customers and to raise efficiency. This way we intend to grow considerably over the next five years", says Torben Carlsen, CEO of DFDS.

Four strategy pillars

1. Grow solutions to select industries
   Further specialise and develop end-to-end solutions for initially automotive, forest & metal and cold chain customers. Growth is expected to include targeted acquisitions.

2. Digitise services to accelerate growth
   Make services easier and more cost-efficient for freight forwarders and other customers through digital solutions. Digitise core operating systems to enhance operational efficiency and develop new services.

3. Develop and expand the ferry and logistcs networks
   Achieve long term business plan goals for new Mediterranean business unit. Gain benefits from deployment of newbuildings with lower unit costs. Continuous improvement projects. Grow scale advantages through acquisitions.

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About DFDS
DFDS provides ferry and transport services in Europe and Turkey, generating annual revenues of EUR 2.3bn.

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

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

Our 8,000 employees are located on ships and in offices across 20 countries. DFDS was founded in 1866, is headquartered in Copenhagen, and listed on NASDAQ Copenhagen.

4. Create more value for passengers
   Develop the customer experience for passenger on both cruise and transport routes.

The four strategy pillars include a mix of organic as well as structural initiatives, including acquisitions.

Financial ambition
The financial ambition is underpinned by estimates of the financial impact for the initiatives in the four strategy pillars, including a framework for monitoring progress and the financial impact.

Achievement of the ambition implies an increase in EBITDA of DKK 1.9bn from DKK 3.6bn in 2018 to DKK 5.5bn in 2023. The increase is expected to be generated by one third from organic growth and initiatives, one third from achievement of the business plan goals for the Mediterranean business unit and one third from acquisitions.

Net organic investments, i.e. excluding acquisitions, are forecast to amount to around DKK 5bn for the period 2020-2023. This includes delivery of three freight ferry newbuildings (ro-ro) and two combined freight and passenger newbuildings (ro-pax). As previously announced, investments are expected to amount to around DKK 2.8bn in 2019.

Target for return on invested capital
DFDS expects to continue to create significant shareholder value over the next five years. DFDS' cost of capital (WACC) is currently calculated at 5.0%. Before the increase in financial leverage, following the acquisition of U. N. Ro-Ro, the WACC was calculated at 6.5%.

DFDS' minimum ROIC-target applied to operating performance and investments is therefore changed to 8% from 10%. The financial ambition for 2023 equals a ROIC of 13-14%.

Capital markets day
Today, DFDS is hosting a capital markets day where the strategy pillars and new goals will be presented to institutional investors and analysts. Presentation slides for the day are available from 10.30am CET here. A video of CEO Torben Carlsen's presentation starting 10.30am CET will be made available shortly after completion. The video will be made available here.