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Interim financial report for Q1-2020 released

Jens Bjørn Andersen, Group CEO: *“When this year started, we were really looking forward to demonstrating the strength of the DSV Panalpina combination. The COVID-19 crisis has obviously changed the agenda for everybody and hit our markets in a severe way, but we have been able to continue the integration as planned. All things considered, we delivered satisfactory results in Q1 2020 and our asset-light business model has shown its strength. The crisis will have a significant impact on activity levels in the coming months, and we are taking the necessary steps to adapt while supporting the supply chains of our customers and ensuring the safety and health of our employees.”*

Selected key figures and ratios for the period 1 January - 31 March 2020

(DKKm)	Q1 2020	Q1 2019
Financials		
Revenue	27,309	19,979
Gross profit	6,684	5,114
Operating profit (EBIT) before special items	1,566	1,454
Special items, costs	511	-
Profit after tax	331	963
Adjusted earnings for the period	755	993
Adjusted free cash flow	915	540
Ratios		
<i>Operating margin</i>	5.7%	7.3%
<i>Conversion ratio</i>	23.4%	28.4%
Diluted adjusted earnings per share of DKK 1 for the last 12 months	19.0	23.4

COVID-19

16 March this year, we withdrew the financial outlook for 2020 and suspended our share buyback programme. As a result of the global outbreak of COVID-19, supply chains and the global transport and logistics markets are currently seeing a substantial negative impact, and we are unable to accurately assess the magnitude of this impact. We will provide guidance once we have more visibility.

It is estimated that lower activity following COVID-19 impacted EBIT before special items negatively by approx. DKK 250 million in Q1 2020. In response to the situation we have taken initiatives to reduce the cost base by approx. DKK 1,400 million on an annual basis. The savings will trigger restructuring costs of approx. DKK 1,000 million in 2020.

Panalpina integration

Despite the current situation with regards to COVID-19, we expect the ongoing integration of Panalpina to continue as planned.

DSV Panalpina A/S

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Our reach is global, yet our presence is local and close to our customers.

60,000 employees in more than 80 countries work passionately to deliver great customer experiences and high-quality services.

Read more at www.dsv.com

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