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Interim Financial Report for Q3-2019 released

Selected financial and operating data for the period 1 January - 30 September 2019

(DKKm)	Q3 2019	Q3 2018 excl. IFRS 16	YTD 2019	YTD 2018 excl. IFRS 16
Revenue	24,521	20,237	64,579	58,108
Gross profit	6,271	4,472	16,670	13,042
EBIT before special items	1,785	1,507	4,870	4,112
Operating margin	7.3%	7.4%	7.5%	7.1%
Conversion ratio	28.5%	33.7%	29.2%	31.5%
Special items, costs	172	-	191	-
Profit after tax	1,149	1,104	3,261	3,060
Adjusted earnings for the period	1,403	1,126	3,592	3,126
Adjusted free cash flow			2,453	2,631
Diluted adjusted earnings per share of DKK 1 for the last 12 months			24.2	21.6

Jens Bjørn Andersen, Group CEO: “The closing of the Panalpina transaction on 19 August was the all-important event in Q3. We have had a good start to the integration and the first operational integrations have already started. Meanwhile, we are pleased to report strong results for Q3, despite challenging market conditions, especially in the air freight market.”

Financial outlook for 2019

Due to the Panalpina transaction, we withdrew the financial outlook for 2019 earlier this year. With the transaction completed and Panalpina included in the consolidated financial statements as of 19 August 2019, the expectations for full-year EBIT before special items for 2019 are at DKK 6,600 million including amortisation of customer relationships of approximately DKK 100 million, of which DKK 80 million are related to Panalpina. Transaction and integration costs (reported as special items) for 2019 are expected to amount to approximately 30% of total expected restructuring costs of DKK 2,300 million.

Synergies and integration costs

When Panalpina is fully integrated we expect to achieve annual cost synergies of around DKK 2,300 million (previously announced DKK 2,200 million). Around 5% of the cost synergies are expected to impact the income statement in 2019, around 60% in 2020 and the remaining 35% in 2021. Total transaction and integration costs are expected in the level of DKK 2,300 million. These costs will be charged to the income statement under Special Items. We expect that approximately 30% of the transaction and integration costs will materialise in 2019, 55% in 2020 and 15% in 2021.

Share buyback

On 11 November, we will launch a new share buyback programme of a maximum value of DKK 2,500 million, running until 6 February 2020. Please refer to Company Announcement No. 800 for further details.

[Read the full report](#)

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