

## A successful start to the new year for Deutsche Post DHL Group despite global challenges

- Group revenue rises to EUR 22.6 billion in the first quarter; strong demand for transport services continued, while capacity remains constrained
- Global B2B business major growth driver: EBIT improved to EUR 2.2 billion
- Free cash flow adjusted for acquisitions with EUR 1.1 billion on prior year's record level
- Balanced portfolio proves resilient despite economic uncertainty; financial targets for 2022 through 2024 confirmed
- CEO Frank Appel: “We had a good start to the year and once again demonstrated the strengths of our portfolio in a challenging environment.”

**Bonn, May 3, 2022:** Deutsche Post DHL Group, the world’s leading logistics company, continued its successful growth trajectory in the first quarter of 2022 despite global challenges. Revenue improved by 19.8 percent to EUR 22.6 billion. Following the significant jump in earnings in financial year 2021, the Group also recorded an excellent opening quarter 2022 with operating profit (EBIT) of EUR 2.2 billion (Q1 2021: EUR 1.9 billion). The Group successfully balanced higher energy prices and transport costs. At 9.6 percent, the EBIT margin was at a comparable level with the previous year (Q1 2021: 10.1 percent).

The global B2B business was the key growth driver in the first quarter of 2022. Global Forwarding, Freight and Supply Chain in particular, but also Express, benefited from a solid development in global trade and stronger B2B business. Earnings at Global Forwarding, Freight almost tripled thanks to an exceptionally positive performance in the air and ocean freight business. In the domestic and international parcel businesses, as expected, B2C shipment volumes normalized at the start of 2022 after an exceptionally high level in the previous year, due to the Covid related restrictions on public life in many geographies. Accordingly, earnings of eCommerce Solutions and Post & Parcel Germany were below the very strong level of 2021.

### Broad and resilient logistics portfolio of Deutsche Post DHL Group pays off again

“The first quarter saw the expected normalization in e-commerce. However, we were able to overcompensate that development with strong results in our global logistics activities. Once again, our portfolio – balanced by region and sector – proved to be a strong and resilient foundation for our

success. Overall, we had a good start into the year and further increased our earnings”, said Frank Appel, CEO of Deutsche Post DHL Group. With regard to the consequences of the war in Ukraine, Frank Appel added: “Following the outbreak of war, global trade has so far proven resilient, yet we are closely monitoring the increasing challenges to global economic development.”

## **Outlook: short- and medium-term targets confirmed**

The Group continues to expect EBIT of EUR 8.0 billion (+ / – 5 percent) in the current financial year. For 2024, the company continues to forecast an increase in EBIT to around EUR 8.5 billion. The short- and medium-term outlook for the development of free cash flow and gross capital expenditures (capex) was also confirmed. Excluding acquisitions, the Group expects free cash flow of EUR 3.6 billion (+ / – 5 percent) in the current year, with a cumulative free cash flow forecast of around EUR 11 billion for the period 2022 to 2024. The outlook for capex in 2022 remains at around EUR 4.2 billion and for the period 2022 to 2024 at around EUR 12 billion.

## **Strong financial position enables high investment in profitable growth**

The Group’s excellent financial situation continues to be also reflected in its cash flow: in the first quarter of 2022, operating cash flow of the Group was almost at level with the prior year at EUR 2.4 billion (Q1 2021: EUR 2.5 billion). Free cash flow was around EUR 1.1 billion (Q1 2021: EUR 1.2 billion) excluding acquisitions, like the completed transaction of ocean freight specialist J.F. Hillebrand Group in the amount of EUR 1.4 billion. The record result from the previous year was thus almost achieved once again. The company invested EUR 564 million across all divisions in the first quarter of 2022 (Q1 2021: EUR 583 million).

“Our strong and stable financial power allows us to invest heavily in our leading position and to strengthen our resilience. This enabled us to acquire Hillebrand in the first quarter of 2022 without having to raise outside capital, while at the same time continuing to invest in the development of our core businesses. With capital expenditure of around EUR 12 billion until 2024, we want to push forward sustainable investments to expand our transportation, warehousing and sorting capacities and support our customers with new, low-emission solutions to achieve their carbon reduction targets”, said CFO Melanie Kreis.

Ultimately, Deutsche Post DHL Group generated net profit after non-controlling interests of EUR 1.4 billion in the first quarter of 2022 (Q1 2021: EUR 1.2 billion). Basic earnings per share increased accordingly to EUR 1.10, after EUR 0.96 in the prior-year quarter.

## **Express: networks continue to be very efficiently utilized; EBIT slightly up year-on-year**

Thanks to the continued strong utilization of its crisis proof global networks, the Express division once again achieved an excellent EBIT of EUR 971 million (Q1 2021: EUR 961 million). This contains asset impairments of EUR -24 million in Russia. Revenue increased by 15.9 percent to EUR 6.4 billion. This was largely driven by heavier weight shipments and higher fuel surcharges. As expected, volumes of international time-definite express (TDI) shipments were moderately down versus the previous year. The EBIT margin remained strong at 15.2 percent (Q1 2021: 17.5 percent).

## **Global Forwarding, Freight: dynamic revenue and earnings growth**

Global Forwarding, Freight achieved an outstanding quarterly result with EBIT of EUR 601 million (Q1 2021: EUR 216 million). The division achieved the highest quarterly revenue of all the Group's divisions for the first time, with revenue jumping 54.9 percent to EUR 7.4 billion. This was mainly due to further intensifying price and margin dynamics in the international transport markets and slightly higher volumes in air and ocean freight. As a market leader, the division was extremely successful in managing this volatile environment. The EBIT margin registered an exceptionally strong improvement to 8.2 percent (Q1 2021: 4.5 percent).

## **Supply Chain: double-digit-percentage growth rates**

The Supply Chain division successfully continued its growth course and benefited from persisting strong revenue momentum. This dynamic resulted primarily from increased warehousing and distribution activities for customers in the stationary retail sector, but also in e-commerce. Overall, revenue increased by 17.7 percent to EUR 3.8 billion. EBIT rose by 22.8 percent to EUR 205 million. Through the targeted use of digitalization, automation and standardization, the division improved profitability and increased the EBIT margin to 5.4 percent (Q1 2021: 5.2 percent).

## **eCommerce Solutions: stable revenue and earnings development**

Following the massive jump in revenue and earnings at eCommerce Solutions in the previous year, both key figures stabilized in line with the expected normalization of parcel volumes. EBIT again surpassed the triple digit million range with EUR 102 million (Q1 2021: EUR 117 million). At EUR 1.4 billion, revenue was 0.6 percent below the previous year. Pricing measures compensated the expected decline in shipment volumes. Depending on the respective corona restrictions, parcel volumes have developed differently from region to region. Levels returned to normal, particularly in the Netherlands and United

States, with significantly higher volumes in India. Despite the normalization in online retailing and a slight increase in operating costs, the EBIT margin remained at a high level of 7.1 percent (Q1 2021: 8.0 percent).

## **Post & Parcel Germany: earnings expectations met**

EBIT at Post & Parcel Germany amounted to EUR 355 million in the first quarter, as expected falling short of the exceptionally strong previous year (Q1 2021: EUR 556 million). In the Parcel business unit, shipment volumes normalized as anticipated. At the same time, the letter mail business achieved a stable development. Accordingly, revenue was moderately below the exceptionally high prior-year level at EUR 4.2 billion (Q1 2021: EUR 4.6 billion). Due to lower capacity utilization in the parcel business, the EBIT margin was also down year-on-year at 8.4 percent (Q1 2021: 12.2 percent). Measures to increase efficiency successfully countered the rising cost pressure, but could not fully compensate for it, because also additional pandemic related costs were recorded.

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**Note to editors:** An [interview with CFO Melanie Kreis](#) can be found on our homepage. The Group's investor webcast can be viewed on our website starting at 10:00 a.m. This can be accessed at [www.dpdhl.com/ir](http://www.dpdhl.com/ir).

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**Deutsche Post DHL Group** is the world's leading logistics company. The Group connects people and markets and is an enabler of global trade. It aspires to be the first choice for customers, employees and investors worldwide. The Group contributes to the world through responsible business practice, corporate citizenship and environmental activities. By the year 2050, Deutsche Post DHL Group aims to achieve zero emissions logistics.

Deutsche Post DHL Group is home to two strong brands: Deutsche Post is Europe's leading postal service. DHL offers a comprehensive range of international express, freight transport, and supply chain management services as well as e-commerce logistics solutions. Deutsche Post DHL Group employs approximately 590,000 people in over 220 countries and territories worldwide. The Group generated revenues of more than EUR 81 billion in 2021.

**THE logistics company for the world.**

**Group financial highlights for the first quarter**

in €m	1st quarter 2021	1st quarter 2022	Change in %
Revenue	18,860	22,593	19.8
– of which international	13,388	17,123	27.9
Profit from operating activities (EBIT)	1,911	2,159	13.0
Consolidated net profit <sup>1)</sup>	1,190	1,351	13.5
Basic earnings per share (in €)	0.96	1.10	14.6
Diluted earnings per share (in €)	0.94	1.08	14.9

**Divisional revenue in the first quarter**

in €m	1st quarter 2021	1st quarter 2022	Change in %
Express	5,499	6,373	15.9
Global Forwarding, Freight	4,752	7,359	54.9
Supply Chain	3,241	3,815	17.7
eCommerce Solutions	1,454	1,445	-0.6
Post & Parcel Germany	4,555	4,245	-6.8
Group Functions/Consolidation	-641	-644	-0.5
<b>Group</b>	<b>18,860</b>	<b>22,593</b>	<b>19.8</b>

**Divisional EBIT in the first quarter**

in €m	1st quarter 2021	1st quarter 2022	Change in %
DHL	1,461	1,879	28.6
- Express	961	971	1.0
- Global Forwarding, Freight	216	601	>100
- Supply Chain	167	205	22.8
- eCommerce Solutions	117	102	-12.8
Post & Parcel Germany	556	355	-36.2
Group Functions/Consolidation	-106	-75	29.2
<b>Group</b>	<b>1,911</b>	<b>2,159</b>	<b>13.0</b>

<sup>1)</sup> After non-controlling interests