

Deutsche Post DHL Group increases 2022 EBIT guidance thanks to its international DHL business

- Group revenue increased to EUR 24.0 billion in third quarter of 2022; growth continued despite global economic uncertainty
- Operating profit (EBIT) improved to EUR 2.0 billion; Group raises EBIT guidance for 2022
- Free cash flow increased to EUR 1.8 billion; 2022 outlook upgraded
- CEO Frank Appel: "The first three quarters of the year were the most successful in our company's history thanks to the international DHL business. The foundation for our success is our well balanced global logistics business powered by our dedicated workforce."

Bonn, November 8, 2022: Deutsche Post DHL Group, the world's leading logistics group, continued to show strong growth in the third quarter of 2022. Compared with the prior-year quarter, the Group increased its revenue by 20.0 percent to EUR 24.0 billion. Even in a weakening macroeconomic environment, the Group was able to efficiently utilize its global networks thanks to flexible structures and close cooperation between the divisions. Returning growth in the domestic parcel business and the ongoing trend towards e-commerce also contributed to this. Operating profit (EBIT) improved accordingly by 15.2 percent to EUR 2.0 billion. At 8.5 percent, the EBIT margin was slightly below the prior-year level (Q3 2021: 8.8 percent).

"The first three quarters of the year were the most successful in our company's history. EBIT remained above EUR 2.0 billion in all three quarters. Even if global growth is losing momentum, we are well on track to achieve the best result ever with an EBIT of around EUR 8.4 billion," said Frank Appel, CEO of Deutsche Post DHL Group. "The foundation for our success is our global logistics business, which is extremely well balanced in terms of sectors and regions, powered by our dedicated workforce. This makes us a reliable partner for our customers all around the world – especially in these volatile times."

2022 EBIT guidance raised to around EUR 8.4 billion – mid-term outlook confirmed

Following a significant leap in the previous financial year, the Group has succeeded in achieving another substantial increase in earnings in the first nine months. EBIT up to and including September 2022 increased to EUR 6.5 billion (9M 2021: EUR 5.8 billion). Net income after non-controlling interests totaled EUR 4.0 billion (9M 2021: EUR 3.6 billion). Basic earnings per share rose accordingly to EUR 3.32 in this period, compared with EUR 2.89 a year ago.

In response to the continuing positive business and earnings performance in the DHL divisions, the Group has raised its EBIT guidance for the current financial year to a record level of around EUR 8.4

billion (previously: EUR 8.0 billion with a maximum variance of + / - 5 percent). Looking ahead to the final quarter, Deutsche Post DHL Group is well positioned despite continuing global economic uncertainties and prepares for a peak season with the typical seasonal development of shipment volumes in its B2C businesses. The mid-term outlook for 2024 remains stable with an EBIT of around EUR 8.5 billion. The Group closely monitors the slowing global growth momentum and uses well-established levers. Based on a flexible adjustment of networks, disciplined yield and cost management, the Group is able to respond successfully to a macroeconomic downturn.

International B2B business main driver for positive business performance in Q3 2022

Once again, the B2B business of DHL's Global Forwarding, Freight, Supply Chain and Express divisions was the driver behind the Group's strong revenue and EBIT growth. In Global Forwarding, Freight's cargo business, revenue and EBIT again increased significantly due to ongoing high freight rates. The capacity situation in air and ocean freight eased further, as demand declined noticeably and transport supply improved again. The continuing high demand for reliable solutions powering resilient supply chains and e-fulfillment gave Supply Chain's contract logistics business a good third quarter. The international time-definite express (TDI) business benefited from a disciplined yield management with volumes declining slightly.

Normalization in B2C business almost done – parcel volumes show positive trend

As expected, shipment volumes in the B2C business settled at a structurally higher level compared to pre-pandemic levels. Shipment volumes recorded a significant improvement in the third quarter of 2022, relative to the first half year. Driven by online retail, the number of parcels in Germany rose again slightly. This positive development in parcel volumes was also evident in the European eCommerce Solutions' business.

Financial strength further enhanced – 2022 free cash flow guidance upgraded

The positive earnings momentum has further strengthened the Group's financial power. Operating cash flow increased significantly to EUR 3.5 billion (Q3 2021: EUR 2.6 billion). The key factor behind this was the solid operational dynamic and a very good development in working capital. Accordingly, free cash flow also developed positively, improving to EUR 1.8 billion (Q3 2021: EUR 1.3 billion) despite increased payments for investments and acquisitions. Thus, exceeding the preliminary result published at the beginning of October.

Based on this strong performance, the Group is upgrading its free cash flow guidance (excluding acquisitions and divestments) to more than EUR 4.2 billion in 2022 (previously: EUR 3.6 billion with a maximum variance of + / - 5 percent). The Group is further accelerating its ongoing share buy-back program. The Company has decided on further share buy-backs of up to EUR 500 million until March 2023, after the buy-back of a first tranche of up to EUR 800 million was already successfully completed at the beginning of October 2022. These plans are part of the share repurchase program 2022-24

announced in March 2022 with a total volume of up to EUR 2 billion, which will be carried out latest until December 2024.

The good cash flow development secured investments in projects according to plan without facing any restrictions in the third quarter 2022. Gross capital expenditure (Capex) focused on the modernization of the Express fleet, capacity expansion at Post & Parcel Germany and eCommerce Solutions, and automation initiatives at Supply Chain.

"The cash flow performance in the past quarter was outstanding. We have thus further strengthened our comfortable financial position organically and safeguarded our ability to invest. Thanks to our financial strength, we are well positioned even in an economically weaker environment. In the event of an economic downturn, we can rely on well established group-wide levers to successfully master volatile phases," said CFO Melanie Kreis.

Express: EBIT of EUR 1.0 billion slightly up versus previous year

The Express division once again achieved very good capacity utilization levels in its globe spanning networks. EBIT increased by 4.2 percent year-on-year to EUR 1.0 billion. Revenue growth was even stronger, up 21.8 percent to EUR 7.2 billion. As in the second quarter 2022, this development was especially driven by pricing measures and higher fuel surcharges. International time-definite express (TDI) shipments per day declined by 2.6 percent. The established pricing mechanisms successfully dampened the increased costs. Accordingly, profitability remained at a high level with an EBIT margin of 14.1 percent (Q3 2021: 16.4 percent).

Global Forwarding, Freight: Another significant jump in EBIT and revenue

The Global Forwarding, Freight division closed the third quarter with outstanding EBIT growth of 57.0 percent to EUR 584 million. The main reason for this was the strong revenue performance. Revenue increased significantly by 38.2 percent to EUR 7.9 billion due to the continued high freight rates. Air freight volumes decreased year-on-year, but were at a comparable level seen in the second quarter of 2022. In ocean freight, transport volumes grew by 11.9 percent, due to the integration of the acquired beverage logistics company Hillebrand. The EBIT margin improved significantly to 7.4 percent (Q3 2021: 6.5 percent).

Supply Chain: Outstanding EBIT growth with new business remaining strong

Supply Chain once again recorded double-digit growth rates. EBIT improved significantly by 54.9 percent to EUR 220 million. Revenue increased across all regions, rising by a total of 14.5 percent to EUR 4.2 billion. The development was especially pronounced in the Americas region. E-fulfillment solutions in particular saw growing interest here. The balanced portfolio with a high proportion of less cyclical customers had a positive impact on business development. In addition, the consolidation of the

acquired Glen Cameron Group, effective from August 2022, increased the results. The new business once more reached a strong result with annualized revenue of EUR 385 million. The EBIT margin of 5.3 percent was again within the target corridor (Q3 2021: 3.9 percent).

eCommerce Solutions: Positive revenue trend continues unabated

eCommerce Solutions also achieved good results in the third quarter. EBIT remained at the prior-year level of EUR 87 million (Q3 2021: EUR 91 million). Largely attributable to price measures revenue increased in all regions, rising by 8.2 percent to EUR 1.5 billion. Parcel volumes grew again in Europe, especially driven by the growth in the Netherlands. Overall, parcel volumes were above the previous year's level by 0.3 percent. The moderate decline in EBIT margin reflected the increasing cost pressure in individual regions with continued investments in additional sorting capacity, but remained at a high level of 5.8 percent (Q3 2021: 6.6 percent).

Post & Parcel Germany: Despite slightly growing parcel volumes the business remains challenging

Revenue and earnings at Post & Parcel Germany were on a par with the previous year. EBIT was EUR 290 million (Q3 2021: EUR 300 million). At EUR 3.9 billion, revenue was just EUR 7 million down on the previous year. While the year-on-year comparison of parcel volumes in the first half of 2022 was still heavily influenced by the pandemic, the parcel business grew slightly in the third quarter. Letter mail volumes declined as expected, as the mail business had been particularly strong in the previous year due to numerous elections in Germany. Overall, volumes in the letter mail business fell by 4.9 percent. EBIT margin remained stable at 7.3 percent (Q3 2021: 7.6 percent) thanks to unchanged high cost discipline.

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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.

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Deutsche Post DHL Group is the world's leading logistic 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. To this end, Deutsche Post DHL Group is focusing on growth in its profitable core logistics businesses and accelerating the digital transformation in all business divisions. The Group contributes to the world through sustainable business practices, corporate citizenship and environmental activities. By the year 2050, Deutsche Post DHL Group aims to achieve net-zero emissions logistics.

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

The logistics company for the world.

Group financial highlights for the third quarter

in €m	3rd quarter 2021	3rd quarter 2022	Change in %
Revenue	20,036	24,038	20.0
– of which international	15,037	18,751	24.7
Profit from operating activities (EBIT)	1,771	2,041	15.2
Consolidated net profit ¹⁾	1,087	1,228	13.0
Basic earnings per share (in €)	0.88	1.02	15.9
Diluted earnings per share (in €)	0.87	1.01	16.1

Divisional revenue in the third quarter

in €m	3rd quarter 2021	3rd quarter 2022	Change in %
Express	5,910	7,197	21.8
Global Forwarding, Freight	5,712	7,892	38.2
Supply Chain	3,653	4,184	14.5
eCommerce Solutions	1,376	1,489	8.2
Post & Parcel Germany	3,955	3,948	-0.2
Group Functions/Consolidation	-570	-672	-17.9
Group	20,036	24,038	20.0

Divisional EBIT in the third quarter

in €m	3rd quarter 2021	3rd quarter 2022	Change in %
DHL	1,575	1,904	20.9
- Express	971	1,012	4.2
- Global Forwarding, Freight	372	584	57.0
- Supply Chain	142	220	54.9
- eCommerce Solutions	91	87	-4.4
Post & Parcel Germany	300	290	-3.3
Group Functions/Consolidation	-105	-152	-44.8
Group	1,771	2,041	15.2

¹⁾ After non-controlling interests

Group financial highlights for the first nine months of the year

in €m	9M 2021	9M 2022	Change in %
Revenue	58,369	70,660	21.1
– of which international	42,743	54,651	27.9
Profit from operating activities (EBIT)	5,765	6,537	13.4
Consolidated net profit ¹⁾	3,569	4,040	13.2
Basic earnings per share (in €)	2.89	3.32	14.9
Diluted earnings per share (in €)	2.83	3.26	15.2

Divisional revenue in the first nine months of the year

in €m	9M 2021	9M 2022	Change in %
Express	17,361	20,563	18.4
Global Forwarding, Freight	15,699	23,407	49.1
Supply Chain	10,209	12,068	18.2
eCommerce Solutions	4,264	4,446	4.3
Post & Parcel Germany	12,674	12,156	-4.1
Group Functions/Consolidation	-1,838	-1,980	-7.7
Group	58,369	70,660	21.1

Divisional EBIT in the first nine months of the year

in €m	9M 2021	9M 2022	Change in %
DHL	4,839	5,982	23.6
- Express	3,109	3,084	-0.8
- Global Forwarding, Freight	900	1,931	>100
- Supply Chain	507	669	32.0
- eCommerce Solutions	324	298	-8.0
Post & Parcel Germany	1,171	887	-24.3
Group Functions/Consolidation	-246	-332	-35.0
Group	5,765	6,537	13.4

¹⁾ After non-controlling interests