

## **CEO Frank Appel at the Annual General Meeting: “Deutsche Post DHL Group will emerge stronger from the crisis”**

- 2020 guidance and medium-term financial targets confirmed
- “Strategy 2025” keeps the Group on track in an uncertain environment
- Stable dividend of EUR 1.15 per share proposed
- Lawrence A. Rosen and Dr. Jörg Kukies stand for election to Supervisory Board

**Bonn, August 27, 2020:** The world's leading logistics company Deutsche Post DHL Group is navigating safely through the crisis and considers itself well prepared for the post-pandemic period. “We can be proud of how we’ve risen to the challenge so far. The crisis shows how robust Deutsche Post DHL Group is,” said CEO Frank Appel at the Group’s Annual General Meeting, which is held virtually this year due to the Corona pandemic.

In his address, Appel talked about the crisis highlighting the importance of logistics – as the backbone of the global economy. “Normally people hardly notice the logistics behind the scenes because everything is running smoothly. It takes a situation like this to truly appreciate how critical logistics is”, he said. According to Appel, Deutsche Post DHL Group is making a fundamental contribution to overcoming the crisis. By transporting medicines, protective equipment and medical equipment around the world, and maintaining trade flows, the Group has kept “the world running”. “Without us, manufacturing would grind to a halt,” he said. “We supply people and businesses with important goods. Never before have our services been so urgently needed.”

Appel was correspondingly confident with regard to the Group’s earnings guidance for the current year, issued in July, and the medium-term financial targets: “We’ve managed to implement the right measures in many areas”, he said. “Deutsche Post DHL Group will emerge stronger from this crisis.” Accordingly, operating profit for 2020 should reach between EUR 3.5 billion and EUR 3.8 billion. For 2022, the Group expects EBIT of around EUR 4.7 billion to more than EUR 5.3 billion, depending on the course of the overall economic recovery.

According to the CEO, the fact that Deutsche Post DHL Group is coming through the crisis so well is due to its robust business model, long-established corporate culture and clear strategic direction. “Strategy 2025”, presented in fall 2019, has kept the Group on track despite the uncertain environment, said Appel. “The strategy focuses on the right issues: globalization, e-commerce, digitalization and sustainability. These trends have become all the more relevant in this time of crisis, or are even accelerating rapidly due to the pandemic.”

## **A powerful organization: Optimally positioned for the future with “Strategy 2025”**

According to Appel, the pandemic has shown that globalization is not the problem, but the solution. The fight against Corona has made clear the importance of a connected world – whether it’s worldwide collaboration in research, or supplying people with the goods they need. “The impact of the pandemic would have been considerably more severe without global exchange,” he said, referring among other things to the search for a vaccine. “We don’t believe in an end to globalization,” said Appel. “On the contrary. It is too important. And we are proud to enable it on behalf of our customers. Nobody does globalization better than we do.”

After red-hot growth over the last several months, Appel still sees considerable growth potential in e-commerce, which offers growth opportunities to entrepreneurs. “If you have a compelling idea, the world market is open to you. That’s billions of potential customers,” said Appel, adding that Deutsche Post DHL Group’s global presence in more than 220 countries and territories makes it the ideal partner.

According to Appel, the pandemic has also accelerated digitalization. It helps to rethink logistical processes. The result is a more modern, sustainable company. That is why Deutsche Post DHL Group is investing around two billion euros in the digital future by 2025 – for greater efficiency, for a better customer experience and improved working conditions. “I am certain that we’ll see rapid progress,” said Appel.

Despite the current challenges posed by the pandemic, Appel also warned not to lose sight of sustainability and climate change. In the long term, he said, it was the much bigger problem – with existential consequences. As a sustainable provider, Deutsche Post DHL Group has been setting standards in the industry for years, Appel said. “We are not resting on our laurels. We want to reduce our emissions to zero. This also supports our customers, since they depend more and more on green logistics. These days, providers that can offer green logistics have a competitive advantage.”

With "Strategy 2025", the Group has created a powerful organization, Appel summarized at the Annual General Meeting. "We're in great shape." The purpose of the company is to connect people and improve lives. "It inspires us to give our best."

## **Balanced profit sharing: EUR 300 employee bonus and stable dividend**

In his address to shareholders, Appel indicated that he was very satisfied with the recently announced financial results for the first half of 2020. Despite the challenges due to the Corona pandemic, Appel

reported that all five divisions were profitable and that Deutsche Post DHL Group continued to grow overall. The second quarter saw Group revenue up by 3.1 percent to EUR 16.0 billion – driven in part by the boom in e-commerce. Operating profit rose by 18.6 percent to EUR 912 million.

Appel expressed special thanks to the Group's approximately 550,000 employees worldwide: "You've done an incredible job in this difficult time. Thank you for making the impossible possible." As a show of appreciation, the Group will pay all employees worldwide a one-time bonus of EUR 300<sup>1</sup> in the third quarter of this year.

For balanced participation in the success of the company, the Board of Management and Supervisory Board proposed a dividend of EUR 1.15 per share for the past financial year, unchanged from the previous year. Appel emphasized that stable dividends are by no means standard in the current environment. If the proposed dividend is approved by shareholders, the Group would pay out a total of approx. EUR 1.4 billion to shareholders – a dividend payout ratio of 55 percent of the adjusted net profit for 2019. Deutsche Post DHL Group would thus remain within the target corridor of 40 to 60 percent, unchanged since 2010. Payment of the dividend is scheduled for September 1, 2020.

## **Change in the Supervisory Board: Rosen and Kukies stand for election**

The agenda of this year's shareholders' meeting also includes the election of two new Supervisory Board members. The term of office of Roland Oetker, Honorary President of DSW Deutsche Schutzvereinigung für Wertpapierbesitz e.V., who is not available for re-election due to the age limit, will end as planned at the end of today's Annual General Meeting. Werner Gatzert, State Secretary in the Federal Ministry of Finance, resigned in February of this year in the context of accepting a Supervisory Board mandate at Deutsche Bahn AG.

Up for election to the Supervisory Board are Lawrence A. Rosen, Deutsche Post DHL Group CFO from 2009 to 2016, and Dr. Jörg Kukies, State Secretary in Germany's Federal Ministry of Finance.

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<sup>1</sup> per full-time employee

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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 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 550,000 people in over 220 countries and territories worldwide. The Group generated revenues of more than 63 billion Euros in 2019.

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