

Deutsche Post DHL Group quadruples net profit and raises guidance again

- Group follows up on record result in 2020 and more than triples EBIT to EUR 1.9 billion in the first quarter 2021, net profit jumps to EUR 1.2 billion
- Group revenue increases significantly to EUR 18.9 billion; organic growth of 26 percent achieved
- Free cash flow up by EUR 1.6 billion to EUR 1.2 billion in Q1 2021, positive free cash flow for the first time in the opening quarter
- Earnings guidance for 2021 raised significantly due to positive business performance, Group now expects EBIT of more than EUR 6.7 billion and free cash flow of more than EUR 3.0 billion
- CEO Frank Appel: "We had the best opening quarter ever and were able to unleash our full strength as a Group"

Bonn, May 5, 2021: The world's leading logistics company Deutsche Post DHL Group continued to grow dynamically in the first quarter of 2021. The Group increased its revenue significantly by 22.0 percent to EUR 18.9 billion. Operating profit (EBIT) more than tripled to EUR 1.9 billion, making it the strongest opening quarter ever. All five divisions were able to significantly increase EBIT. The Group even slightly exceeded the preliminary quarterly figures published in April. With its broad portfolio of logistics services, Deutsche Post DHL Group benefited from the continued strong momentum in global e-commerce and the simultaneous recovery in world trade. Against the backdrop of the good earnings performance, Deutsche Post DHL Group has raised its short- and medium-term targets: For 2021, the Group expects EBIT of more than EUR 6.7 billion and free cash flow of more than EUR 3.0 billion. For 2023, the company forecasts EBIT of more than EUR 7.0 billion.

"We had the best opening quarter ever and were able to unleash our full strength as a Group. All five of our divisions are on track for growth and are ideally positioned to benefit from the continuing boom in e-commerce and the resurgence in global trade. Our 570,000 employees are operating our networks more efficiently than ever before. This makes me optimistic about the future", said Frank Appel, CEO of Deutsche Post DHL Group.

Short- and medium-term targets significantly increased: EBIT of more than EUR 6.7 billion in 2021, more than EUR 7.0 billion in 2023

Against the backdrop of the good earnings performance in the first quarter of 2021, the Group has significantly increased its earnings guidance for the current fiscal year and its medium-term targets:

For 2021, the Group expects EBIT to increase to more than EUR 6.7 billion (previously: significantly above EUR 5.6 billion) and free cash flow to more than EUR 3.0 billion (previously: significantly above EUR 2.3 billion) with gross capex amounting to around EUR 3.8 billion (previously: around EUR 3.4 billion).

For 2023, Deutsche Post DHL Group expects EBIT of more than EUR 7.0 billion, compared with a previous forecast of more than EUR 6.0 billion. This development is also reflected in an increased forecast for cumulative free cash flow of around EUR 9.0 billion (previously: EUR 7.5 to 8.5 billion) from 2021 to 2023. Over the same period, the Group will now invest around EUR 11.0 billion (previously: EUR 9.5 to 10.5 billion) in its networks.

"Because of our strategic investments in our networks, we are today in a position to benefit from the surge in demand, while simultaneously improving our efficiency. We expect further growth in the coming quarters, even with growth rates normalizing over time. We are therefore stepping up investments in our infrastructure to be able to continue to optimally serve higher shipment volumes," said Frank Appel.

Sustained, substantial progress achieved in cash flow, free cash flow outstandingly strong

In the first quarter of 2021, the Group's operating cash flow more than tripled to EUR 2.5 billion (Q1 2020: EUR 750 million). The Group's excellent financial situation improved again with free cash flow of EUR 1.2 billion (Q1 2020: EUR -409 million). In addition to the positive earnings performance, a lower cash outflow of EUR 664 million from the change in working capital also had a positive effect.

"The development of free cash flow especially stands out. This quarter we achieved an outstandingly positive result with free cash flow of EUR 1.2 billion. This performance is even more impressive when you consider that free cash flow has historically been negative in the opening quarter. The structural improvements allow us to increase our free cash flow guidance while investing more," said Chief Financial Officer Melanie Kreis.

Investments increased; net profit surges by around EUR 900 million

The company has invested EUR 583 million across all divisions in Q1 2021 (Q1 2020: EUR 453 million).

Overall, Deutsche Post DHL Group generated net profit after non-controlling interests of EUR 1.2 billion in the first quarter of 2021 (Q1 2020: EUR 301 million). Basic earnings per share accordingly amounted to 0.96 EUR, compared with 0.24 EUR a year ago.

All divisions increase revenue and profit in the first quarter 2021

In the first quarter of 2021, all five divisions were able to increase revenue and achieve a positive earnings performance. The Express, eCommerce Solutions, and Post & Parcel Germany divisions especially benefited from the sustained momentum in e-commerce leading to a sharp rise in shipment volumes in the national and international parcel business. Thanks to the high utilization of their networks, the divisions achieved a significant jump in earnings. Global Forwarding, Freight and Supply Chain but also Express benefited particularly strongly from the rapid recovery in world trade and the growing B2B business.

Express: worldwide network optimally utilized, EBIT margin of 17.5 percent achieved

The Express division was able to utilize its unique global infrastructure very well, in particular its international flight capacities, and thus generated an outstanding EBIT of EUR 961 million (Q1 2020: EUR 393 million). Revenue increased by 32.5 percent to EUR 5.5 billion. Volumes in the time-definite international express (TDI) business achieved double-digit percentage growth in all regions of the world. Global growth amounted to 26.3 percent. At 17.5 percent, the EBIT margin significantly exceeded the prior-year figure (Q1 2020: 9.5 percent).

eCommerce Solutions: highest growth rates within the Group achieved

Shipment volumes increased significantly in all regions. Growth was particularly dynamic in the US and the Netherlands. Thus, revenue developed positively, increasing by 46.0 percent to EUR 1.5 billion. On this basis, the division was able to considerably increase EBIT from EUR 6 million in the prior-year quarter to EUR 117 million in the first quarter of 2021. The division significantly increased its profitability in the international parcel business through higher utilization of its networks. The EBIT margin increased in the past quarter to 8.0 percent (Q1 2020: 0.6 percent) and was thus already above the long-term target of 5 percent.

Global Forwarding, Freight: increase in revenue and earnings realized despite tight capacities

Global Forwarding, Freight increased its revenue by 32.7 percent to EUR 4.8 billion in an environment characterized by continuing capacity shortages on the international transport markets. Additional cargo capacity on international passenger aircraft remained limited. Cargo space was also in short supply at sea. The noticeable increase in world trade further intensified the price and margin trends. In a challenging environment with further elevated competition for available transport capacity, the division succeeded in increasing air freight volumes by 18.2 percent, while ocean freight volumes increased by 8.8 percent. The main driver here was business in Asia. As a result of productivity improvements, the division succeeded in significantly increasing the EBIT/Gross Profit conversion ratio.

EBIT amounted to EUR 216 million (Q1 2020: EUR 74 million), the EBIT margin climbed to 4.5 percent (Q1 2020: 2.1 percent).

Supply Chain: back on track for growth thanks to reinvigorated customer activity

After customer activity regained momentum in the fourth quarter of 2020, this trend continued in the first quarter of 2021. The division was thus able to increase revenue by 0.3 percent respectively 4.7 percent organically to EUR 3.2 billion compared to the prior-year quarter. Supply Chain also benefited from cost measures and progress in standardization and digitalization. EBIT reached EUR 167 million (Q1 2020: EUR 105 million). Supply Chain is back on track for growth. EBIT margin of 5.2 percent (Q1 2020: 3.2 percent) is back to the target level of around 5 percent.

Post & Parcel Germany: another jump in earnings due to sustained high momentum in the parcel business

EBIT in Post & Parcel Germany amounted to EUR 556 million in the first quarter (Q1 2020: EUR 334 million). Revenue and earnings were again driven by the continued strength of e-commerce. Parcel shipment volumes continued to grow dynamically by 41.3 percent as a result of the limited availability of retail outlets in many places. The mail business again recorded a significant decline with minus 9.5 percent – particularly driven by customer reluctance in dialogue marketing. Thus, the decrease in volume was significantly stronger compared to the long-term trend. At EUR 4.6 billion, revenue was up 15.1 percent year-on-year.

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Note to editors: An interview with CFO Melanie Kreis can be found at www.dpdhl.com. 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 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 570,000 people in over 220 countries and territories worldwide. The Group generated revenues of more than EUR 66 billion in 2020.

THE logistics company for the world.

Group financial highlights for the first quarter

in €m	1st quarter 2020	1st quarter 2021	Change in %
Revenue	15,464	18,860	22.0
– of which international	10,627	13,388	26.0
Profit from operating activities (EBIT)	592	1,911	222.8
Consolidated net profit ¹⁾	301	1,190	295.3
Basic earnings per share (in €)	0.24	0.96	300.0
Diluted earnings per share (in €)	0.24	0.94	291.7

Divisional revenue in the first quarter

in €m	1st quarter 2020	1st quarter 2021	Change in %
Express	4,150	5,499	32.5
Global Forwarding, Freight ²⁾	3,582	4,752	32.7
Supply Chain ²⁾	3,232	3,241	0.3
eCommerce Solutions	996	1,454	46.0
Post & Parcel Germany	3,959	4,555	15.1
Group Functions/Consolidation	-455	-641	-40.9
Group	15,464	18,860	22.0

Divisional EBIT in the first quarter

in €m	1st quarter 2020	1st quarter 2021	Change in %
DHL	577	1,461	153.2
- Express	393	961	144.5
- Global Forwarding, Freight ²⁾	74	216	191.9
- Supply Chain	105	167	59.0
- eCommerce Solutions	6	117	1,850.0
Post & Parcel Germany	334	556	66.5
Group Functions/Consolidation ²⁾	-320	-106	66.9
Group	592	1,911	222.8

¹⁾ After non-controlling interests

²⁾ Prior-year figure adjusted