

## Deutsche Post DHL Group builds on strong opening quarter: Second quarter delivers new all-time highs for revenue and earnings

- Group revenue up 22.2 percent to EUR 19.5 billion; organic growth of 24.6 percent achieved
- Operating profit increased to EUR 2.1 billion due to optimal network utilization in the second quarter 2021, EBIT margin reaches to 10.7 percent
- Net profit more than doubled to EUR 1.3 billion, free cash flow grows to EUR 919 million; preliminary quarterly figures exceeded
- Approx. 550,000 employees will receive a Covid bonus in the fourth quarter
- CEO Frank Appel: “With our extensive portfolio of logistics solutions, we were able to foster the accelerated recovery of global trade as well as e-commerce growth while successfully participating from both.”

**Bonn, August 5, 2021:** Following a good start into the year, Deutsche Post DHL Group, the world’s leading logistics company stayed on track for growth in the second quarter 2021. Revenue increased significantly by 22.2 percent to EUR 19.5 billion (Q2 2020: EUR 15.9 billion). Thanks to rising global business activities and steadily growing e-commerce, all five divisions benefited from a very strong demand for logistics services. Shipment volumes reached a new record level and were transported more efficiently than ever before by Deutsche Post DHL Group. Operating profit (EBIT) increased to EUR 2.1 billion (Q2 2020: EUR 912 million). The EBIT margin almost doubled to 10.7 percent (Q2 2020: 5.7 percent). Free cash flow was EUR 919 million in the second quarter of 2021. With these results, the Group exceeded the preliminary quarterly figures published in July and confirmed its increased guidance. The renewed one-time Covid bonus for approx. 550,000 employees worldwide, also announced in July, is to be paid in the fourth quarter 2021.

“After the global economy had experienced an unprecedented downturn last year, all of our divisions now make a pivotal contribution to accelerate the recovery of global trade. Our entire team performed brilliantly in an environment that remained challenging, enabling us to achieve an outstanding quarterly result”, said Frank Appel, CEO of Deutsche Post DHL Group.

### Strategic focus unleashes positive effect

The focus on the profitable core business and the megatrends of e-commerce and digitalization, defined as part of Strategy 2025, continued to have a positive impact on business performance in the

second quarter 2021. The dynamic performance in national and international business from April to June was driven by a persisting structural e-commerce trend. At the same time, there was a revitalization in business activities that are more dependent on global trade, such as contract logistics and the international freight forwarding business. The divisions more focused on B2B business mastered the persistently challenging conditions in the international air and ocean freight transport markets with an exceptionally high level of efficiency. Profitability was additionally heightened by the continuing digital transformation of business processes and the introduction of new digital customer solutions.

Overall, Deutsche Post DHL Group generated net profit after non-controlling interests of EUR 1.3 billion in the second quarter of 2021 (Q2 2020: EUR 525 million). Basic earnings per share thus doubled to EUR 1.05, compared with EUR 0.43 a year ago.

### **Elevated guidance confirmed: EBIT to rise to more than EUR 7.4 billion in 2023**

The Group confirms its short- and mid-term earnings guidance, which was raised in July. For the current financial year 2021 Deutsche Post DHL Group continues to forecast record earnings of more than EUR 7.0 billion. This includes a Covid bonus scheduled to be paid to approx. 550,000 employees worldwide in the fourth quarter of 2021, with a total volume of around EUR 200 million<sup>1</sup>. The mid-term earnings outlook for 2023 remains unchanged at more than EUR 7.4 billion, reflecting the expectation of unchanged high shipment volumes and further improved efficiency.

### **Increased investments based on outstanding cash flow development**

The Group's operating cash flow increased significantly year-on-year by 36.0 percent to more than EUR 2.2 billion. Gross capex totaling EUR 794 million (Q2 2020: EUR 482 million) focused in the past quarter on the expansion of the aircraft fleet in the Express division, additional sorting capacity at Post & Parcel Germany and the deployment of further automation technology in the Supply Chain division. Free cash flow in the same period amounted to EUR 919 million, thus well above the prior-year figure of EUR 605 million.

“After more than a year into the Covid pandemic, e-commerce has seen structural growth and shipment volumes reached a substantially higher level. At the same time, our business is benefitting from a resurgence in business customer activities. Based on significantly elevated demand for logistics solutions, all divisions are able to utilize their networks more efficiently than ever before. Thus, we have

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<sup>1</sup> EUR 300 per full-time employee

an excellent position to grow further profitably in the future with targeted investments in our core business and digitalization,” said CFO Melanie Kreis.

According to the guidance updated in July, gross capex is expected to be around EUR 3.9 billion in the financial year 2021. The Group also continues to forecast free cash flow of more than EUR 3.2 billion in the current year. The guidance for cumulative free cash flow in the years 2021 to 2023 remains unchanged at around EUR 9.0 billion, while cumulative gross capex is expected to be around EUR 11.0 billion in this period.

## **Express: growth in shipment volumes enables outstanding profitability**

EBIT of Express more than doubled to EUR 1,177 million (Q2 2020: EUR 565 million) in the second quarter of 2021. Revenue increased by 31.8 percent to around EUR 6.0 billion. This success was based on the further improved utilization of the globally unique international network. Express strengthened its aviation network by putting 11 additional aircraft into operations in the second quarter. International time-definite express (TDI) shipments increased by 20.2 percent, with growth across all regions of the world. TDI volumes grew by 23.6 percent in Europe, in Asia Pacific by 9.8 percent and in Americas by 36.7 percent. The network was thus utilized with outstanding efficiency. At 19.8 percent, the EBIT margin significantly exceeded the prior-year figure (Q2 2020: 12.5 percent).

## **Global Forwarding, Freight: growth in earnings accelerated by a significant increase in productivity**

Global Forwarding, Freight was able to increase EBIT by 64.2 percent year-on-year to EUR 312 million. Revenue improved to EUR 5.2 billion (Q2 2020: EUR 4.1 billion) in a market that remained challenging. While ocean freight volumes were on pre-pandemic level (but +20.5 percent year-on-year), air freight volumes increased even significantly above the pre-pandemic level (and +35.7 percent year-on-year). In an environment characterized by continued dynamic development of air and ocean freight rates, the division benefited not only from higher volumes but also from productivity gains. The significant improvement in EBIT margin to 6.0 percent (Q2 2020: 4.6 percent) was also due to digitalization projects such as the implementation of a new transport management system.

## **Supply Chain: decline in growth successfully overcome and record profitability achieved**

While Supply Chain’s earnings were still heavily impacted by the pandemic in the previous year, EBIT was never stronger in the second quarter, coming in at EUR 198 million (Q2 2020: EUR 33 million). Thus, earnings were significantly stronger compared to pre-pandemic levels. Customer activities increased significantly, particularly in the Life Sciences & Healthcare und Auto-mobility sectors, driving year-on-year revenue growth of 21.3 percent to EUR 3.3 billion. The division has thus successfully emerged from the dip in revenue caused by the pandemic. Further growth will be ensured by new business amounting to annualized revenue of EUR 559 million, which could be concluded in the first

half of 2021. The progress made in terms of cost discipline, standardization and digitalization continues to have a positive impact. During the pandemic, these measures helped in stabilizing positive earnings; now they have noticeably improved profitability. EBIT margin climbed to a new operating record of 6.0 percent (Q2 2020: 1.2 percent).

## **eCommerce Solutions: growth in international parcel business continues unabated**

EBIT of the eCommerce Solutions division jumped from EUR 1 million in the prior-year quarter to EUR 116 million in the second quarter of 2021, while revenue climbed 23.4 percent to EUR 1.4 billion (Q2 2020: EUR 1.2 billion). Network capacity utilization in the international parcel business once again increased significantly compared with the previous year. Significant revenue growth of more than 25 percent was achieved in Cross Border Solutions, which enables European online retailers to ship across Europe with DHL Parcel Connect. With an EBIT margin of 8.1 percent, profitability in the second quarter was significantly above the prior-year figure of 0.1 percent.

## **Post & Parcel Germany: e-commerce enables further growth in revenue and earnings**

EBIT at Post & Parcel Germany increased to EUR 315 million in the second quarter of 2021 (Q2 2020: EUR 264 million). Revenue was moderately higher year-on-year at EUR 4.2 billion (Q2 2020: EUR 3.9 billion). E-commerce remained a strong earnings and revenue driver. While the prior-year quarter marked the starting point for a sharp increase in volumes in the parcel business, the parcel volumes further increased by 13.4 percent in the past quarter. The average parcel volume in Germany was around 7.6 million parcels per day. In the mail business, dialog marketing regained strength thanks to the recovery of the advertising markets. Mail volumes grew by around 6.7 percent compared with a prior-year figure that was heavily impacted by the pandemic. The EBIT margin was 7.6 percent, thus above the prior year's level (Q2 2020: 6.8 percent).

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**Note to editors:** An interview with CFO Melanie Kreis can be found at [www.dpdhl.com](http://www.dpdhl.com). The Group's investor webcast can be viewed on our website starting at 09:30 a.m. This can be accessed at [www.dpdhl.com/ir](http://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 second quarter**

in €m	2nd quarter 2020	2nd quarter 2021	Change in %
Revenue	15,937	19,473	22.2
– of which international	11,265	14,318	27.1
Profit from operating activities (EBIT)	912	2,083	128.4
Consolidated net profit <sup>1)</sup>	525	1,292	146.1
Basic earnings per share (in €)	0.43	1.05	144.2
Diluted earnings per share (in €)	0.42	1.02	142.9

**Divisional revenue in the second quarter**

in €m	2nd quarter 2020	2nd quarter 2021	Change in %
Express	4,517	5,952	31.8
Global Forwarding, Freight <sup>2)</sup>	4,139	5,235	26.5
Supply Chain <sup>2)</sup>	2,733	3,315	21.3
eCommerce Solutions	1,162	1,434	23.4
Post & Parcel Germany	3,878	4,164	7.4
Group Functions/Consolidation <sup>2)</sup>	-492	-627	-27.4
<b>Group</b>	<b>15,937</b>	<b>19,473</b>	<b>22.2</b>

**Divisional EBIT in the second quarter**

in €m	2nd quarter 2020	2nd quarter 2021	Change in %
DHL	791	1,803	127.9
- Express	565	1,177	108.3
- Global Forwarding, Freight <sup>2)</sup>	190	312	64.2
- Supply Chain <sup>2)</sup>	33	198	500.0
- eCommerce Solutions	1	116	>1,000
Post & Parcel Germany	264	315	19.3
Group Functions/Consolidation <sup>2)</sup>	-141	-35	75.2
<b>Group</b>	<b>912</b>	<b>2,083</b>	<b>128.4</b>

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

<sup>2)</sup> Prior-year figure adjusted

**Group financial highlights for the first half of the year**

in €m	H1 2020	H1 2021	Change in %
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Revenue	31,401	38,333	22.1
– of which international	21,892	27,706	26.6
Profit from operating activities (EBIT)	1,504	3,994	165.6
Consolidated net profit <sup>1)</sup>	826	2,482	200.5
Basic earnings per share (in €)	0.67	2.01	200.0
Diluted earnings per share (in €)	0.66	1.96	197.0

#### Divisional revenue in the first half of the year

in €m	H1 2020	H1 2021	Change in %
Express	8,667	11,451	32.1
Global Forwarding, Freight <sup>2)</sup>	7,721	9,987	29.3
Supply Chain <sup>2)</sup>	5,965	6,556	9.9
eCommerce Solutions	2,158	2,888	33.8
Post & Parcel Germany	7,837	8,719	11.3
Group Functions/Consolidation <sup>2)</sup>	-947	-1,268	-33.9
<b>Group</b>	<b>31,401</b>	<b>38,333</b>	<b>22.1</b>

#### Divisional EBIT in the first half of the year

in €m	H1 2020	H1 2021	Change in %
DHL	1,368	3,264	138.6
- Express	958	2,138	123.2
- Global Forwarding, Freight <sup>2)</sup>	264	528	100.0
- Supply Chain <sup>2)</sup>	138	365	164.5
- eCommerce Solutions	7	233	>1,000
Post & Parcel Germany	598	871	45.7
Group Functions/Consolidation <sup>2)</sup>	-461	-141	69.4
<b>Group</b>	<b>1,504</b>	<b>3,994</b>	<b>165.6</b>

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

<sup>2)</sup> Prior-year figure adjusted