

## Deutsche Post DHL Group proves itself even in challenging market environment and confirms forecasts

- Group revenue declines moderately to EUR 20.9 billion in the first quarter compared to strong prior-year level; operating profit at EUR 1.6 billion
- Group robustly positioned thanks to balanced portfolio, broad geographic footprint and focus on earnings and cost management
- Free cash flow at EUR 983 million
- Forecasts for 2023 and 2025 confirmed
- Tobias Meyer, CEO designate of Deutsche Post DHL Group: “Deutsche Post DHL Group continued to develop as planned in the first quarter of 2023. Our measures are paying off and we have achieved a continued high revenue and earnings level.”

**Bonn, May 3, 2023:** Deutsche Post DHL Group, the world’s leading logistics company, got off to a robust start to the new fiscal year in 2023. In a challenging market environment, the Group achieved revenue of EUR 20.9 billion in the first quarter (Q1 2022: EUR 22.6 billion). At EUR 1.6 billion, operating profit (EBIT) was 24.1 percent lower than in the prior-year quarter. The Group-wide EBIT margin was 7.8 percent (Q1 2022: 9.6 percent). As anticipated by Deutsche Post DHL Group, the slowdown in global economic momentum was clearly noticeable in the first quarter. Based on the expected development, the Group has fully confirmed its earnings forecasts.

“Deutsche Post DHL Group continued to develop as planned in the first quarter of 2023. We anticipated the slowdown in global growth momentum at an early stage and were able to respond efficiently. Our measures are taking effect and we have achieved a continued high revenue and earnings level. This was made possible by our consistent earnings and cost management, our well-balanced portfolio of logistics services and our international footprint. We once again demonstrated the strong resilience of our business model and therefore fully confirm our forecast,” said Tobias Meyer, CEO designate of Deutsche Post DHL Group.

### Forecast scenarios confirmed: Group expects further growth in the medium term

The EBIT forecast for the fiscal year 2023, as presented at the annual press conference in March, is still valid. It contains three scenarios and ranges from EUR 6.0 billion to EUR 7.0 billion:

- In the favorable case of a recovery starting around mid-year (‘V-shape’ recovery) the Group expects EBIT of around EUR 7.0 billion.

## Press release

- In case of a recovery starting more towards year end („U-shape‘ recovery) the Group anticipates EBIT of around EUR 6.5 billion.
- In the least favorable case of no significant recovery in 2023 („L-shape‘ recovery) the Group predicts EBIT of at least EUR 6.0 billion.

### **Further investments in profitable growth and sustainability planned**

The Group’s solid financial situation is reflected in the development of cash flow: in the first quarter of 2023, the Group’s operating cash flow was level with the prior year at EUR 2.4 billion (Q1 2022: EUR 2.4 billion). Free cash flow was around EUR 983 million (Q1 2022: minus EUR 197 million).

“With the fundamental improvement in earnings in recent years, we have raised our financial strength to a new level. In view of the slowdown in global economic momentum, we are nevertheless acting prudently and relying on our proven management tools. At the same time, we are able to actively invest in our core business even in challenging times. The focus is primarily on investing in sustainable logistics solutions and strengthening our global networks,” said Melanie Kreis, Chief Financial Officer of Deutsche Post DHL Group.

Deutsche Post DHL Group continued to invest in sustainable growth in the first quarter. Gross capital expenditure (capex) amounted to EUR 569 million (Q1 2022: EUR 564 million). Investments focused, among other things, on renewing the intercontinental express aircraft fleet and expanding sustainable and low-emission transport structures. For the full year, the Group continues to plan an investment volume of between EUR 3.4 and EUR 3.9 billion (2022: EUR 4.1 billion).

Overall, Deutsche Post DHL Group generated net profit after non-controlling interests of EUR 911 million in the first quarter of 2023 (Q1 2022: EUR 1.4 billion). Basic earnings per share came in accordingly at EUR 0.76, compared with EUR 1.10 in the previous year.

### **Express: Effective cost management with declining volumes**

Revenue in this division decreased by 1.4 percent to EUR 6.3 billion in the first quarter. This included negative currency effects of EUR 118 million, without which revenue grew slightly by 0.4 percent. The revenue figure also reflects the fact that fuel surcharges were higher in all regions compared with the previous year. Excluding currency effects and fuel surcharges, revenue decreased by 4.7 percent. Volumes of international time-definite shipments (TDI) declined as expected. Effective cost and earnings management mitigated the decline in EBIT for this division in the first quarter of 2023. EBIT

decreased by 7.0 percent to EUR 903 million; the temporary effects of fuel surcharges had a positive impact here. The EBIT margin was 14.4 percent (Q1 2022: 15.2 percent).

## **Global Forwarding, Freight: Normalized conditions on the transport markets**

Revenue in the Global Forwarding, Freight division fell by 25.5 percent to EUR 5.5 billion. This was attributable to lower volumes and freight rates. Excluding negative currency effects of EUR 112 million, revenue was 24.0 percent lower than in the prior-year quarter. In air freight, the decline in volumes was particularly noticeable on trade routes between Asia and the United States and between Asia and Europe; in ocean freight, it was especially due to a decline on trade routes from China. EBIT for the division in the first quarter of 2023 decreased to EUR 389 million from the high prior-year figure of EUR 601 million. The EBIT margin remained at a very good level of 7.1 percent (Q1 2022: 8.2 percent).

## **Supply Chain: Revenue and earnings continue to grow**

Sales in the Supply Chain division grew by 7.7 percent to EUR 4.1 billion in the first quarter. Excluding negative currency effects of EUR 24 million, growth was 8.3 percent. All regions and sectors recorded increases in revenue, supported by new business, contract renewals and growing e-commerce business. EBIT for the division increased to EUR 227 million (Q1 2022: EUR 205 million). This improvement was mainly driven by the positive revenue trend and productivity increases through digitalization and standardization. The EBIT margin was a very good 5.5 percent (Q1 2022: 5.4 percent).

## **eCommerce Solutions: Revenue exceeds previous year's level**

At EUR 1.5 billion, revenue at eCommerce Solutions in the first quarter exceeded the prior-year level by 4.2 percent. EBIT for the division decreased from EUR 102 million to EUR 81 million. This was mainly due to higher costs and ongoing investment in network expansion. The EBIT margin was 5.4 percent (Q1 2022: 7.1 percent).

## **Post & Parcel Germany: Earnings impacted by risk of strike and inflation**

In the first quarter of the year, revenue in the Post & Parcel Germany division fell short of the prior-year figure by 1.1 percent to EUR 4.2 billion, although the reporting period contained one more working day than in the previous year. The main reason for this development was lower revenue in the German mail business, which was partly due to the risk of strikes in connection with the collective bargaining

negotiations, that have since been concluded. Revenue developments at Parcel Germany and International only partially offset this. At EUR 138 million, EBIT for the division in the first quarter was 61.1 percent lower than in the prior-year quarter. In addition to the decline in sales, higher material costs due to inflation, cost of the collective bargaining agreements as well as above-average personnel costs incurred to avoid the risk of strikes were responsible for this. The EBIT margin was 3.3 percent (Q1 2022: 8.4 percent).

– End –

**Note to editors:** An interview with CFO Melanie Kreis can be found at [www.dpdhl.com](http://www.dpdhl.com). The event for investors will be streamed on [www.dpdhl.com/ir](http://www.dpdhl.com/ir) starting at 10:00 a.m.

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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 around 600,000 people in over 220 countries and territories worldwide. The Group generated revenues of more than EUR 90 billion in 2022.

**The logistics company for the world.**

**Group financial highlights for the first quarter**

in €m	Q1 2022	Q1 2023	Change in %
Revenue	22,593	20,918	-7.4
– of which international	17,123	15,589	-9.0
Profit/loss from operating activities (EBIT)	2,159	1,638	-24.1
Consolidated net profit <sup>1)</sup>	1,351	911	-32.6
Basic earnings per share (in €)	1.10	0.76	-30.9
Diluted earnings per share (in €)	1.08	0.75	-30.6

**Divisional revenue in the first quarter**

in €m	Q1 2022	Q1 2023	Change in %
Express	6,373	6,281	-1.4
Global Forwarding, Freight	7,359	5,484	-25.5
Supply Chain	3,815	4,107	7.7
eCommerce Solutions	1,445	1,505	4.2
Post & Parcel Germany	4,245	4,198	-1.1
Group Functions/Consolidation	-644	-657	-2.0
<b>Group</b>	<b>22,593</b>	<b>20,918</b>	<b>-7.4</b>

**Divisional EBIT in the first quarter**

in €m	Q1 2022	Q1 2023	Change in %
DHL	1,879	1,600	-14.8
– Express	971	903	-7.0
– Global Forwarding, Freight	601	389	-35.3
– Supply Chain	205	227	10.7
– eCommerce Solutions	102	81	-20.6
Post & Parcel Germany	355	138	-61.1
Group Functions/Consolidation	-75	-100	-33.3
<b>Group</b>	<b>2,159</b>	<b>1,638</b>	<b>-24.1</b>

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