2022 HALF-YEAR REPORT

Selected key figures

		H1 2021	H1 2022	+/– %	Q2 2021	Q2 2022	+/– %
Revenue	€m	38,333	46,622	21.6	19,473	24,029	23.4
Profit from operating activities (EBIT)	€m	3,994	4,496	12.6	2,083	2,337	12.2
Return on sales[1]	%	10.4	9.6	–	10.7	9.7	–
EBIT after asset charge (EAC)	€m	2,630	2,898	10.2	1,394	1,510	8.3
Consolidated net profit for the period[2]	€m	2,482	2,812	13.3	1,292	1,461	13.1
Free cash flow	€m	2,102	468	–77.7	919	665	–27.6
Net debt[3]	€m	12,772	16,344	28.0	–	–	–
Earnings per share[4]	€	2.01	2.30	14.4	1.05	1.20	14.3
Number of employees[5]		568,537	583,816	2.7	–	–	–

[1] EBIT/revenue. [2] After deduction of non-controlling interests. [3] Prior-year figure as at 31 December. [4] Basic earnings per share. [5] Headcount at the end of the reporting period, including trainees.

Deutsche Post DHL Group

GENERAL INFORMATION

Organisational changes

No material changes were made to the Group's organisational structure during the reporting period.

Effective as of 1 July 2022, Nikola Hagleitner assumed responsibility on the Board of Management for Post & Parcel Germany from Tobias Meyer, who is now responsible for Global Business Services.

Ken Allen, who had held responsibility for eCommerce Solutions, resigned from the Board of Management with effect from the end of 31 July 2022. Pablo Ciano is the new Board of Management member responsible for eCommerce Solutions from 1 August 2022. John Pearson will be responsible for Customer Solutions & Innovation (CSI) from August.

Research and development

As a service provider, Deutsche Post DHL Group does not engage in research and development activities in the narrower sense and therefore has no significant expenses to report in this connection.

REPORT ON ECONOMIC POSITION

Economic parameters

The following data describing the economic parameters of the global economy stem from S&P Global Market Intelligence (S&P Global).

The second quarter of 2022 was dominated by the war in Ukraine and the subsequent economic sanctions imposed on Russia by the Western nations. This resulted in an additional surge in inflation, particularly for energy and food. Furthermore, China imposed further pandemic-related lockdowns in urban regions.

This development forced the central banks, including the US Federal Reserve (Fed) and the European Central Bank (ECB), to tighten their monetary policies substantially. The dampening effect on growth was compensated only in part by recovering activity in the service sector following the loosening of pandemic-related restrictions. Concurrently, this factor ensured, together with material shortage and a sub-average labour participation rate, persistent pressure on inflation.

In the US, the Fed raised its key interest rate from 0.25% to 0.50% in mid-March, raising the pace of monetary tightening in the second quarter. In mid-June, the fed funds rate was already increased to 1.75%. At the same time, the US dollar appreciated against most other currencies.

Chinese growth declined to near zero in the second quarter, caused by renewed regional lockdowns during March and April. Although restrictions were loosened in steps from May onwards, the risk of a short-term return to limitations on mobility remained high.

Economic activity in Europe was impaired in particular measure by its geographic proximity to Ukraine and also the strong dependency on energy imports from Russia. During the second quarter, this was at least partly compensated for by the support that savings accumulated during the pandemic could provide for consumer demand. However, both business and consumer confidence increasingly suffered around mid-2022 from inflation rates of around 8% and increasing concerns over gas shortages in the upcoming winter. This was reinforced by the monetary policy turnaround by the European Central Bank.

Germany's export-dependent economy suffered to an above-average degree from the ramifications of the war, particularly with respect to energy security. Since its interim high in February, the ifo Business Climate Index has sunk to levels observed in early 2021 during the most acute phase of the second pandemic wave.

Significant events

In August 2021, Deutsche Post DHL Group signed an agreement to acquire the J.F. Hillebrand Group (Hillebrand). After the responsible antitrust authorities gave their approval, the purchase price of €1,452 million was fully paid at the end of March 2022, all shares of Hillebrand were transferred and the acquisition was completed. Initial consolidation resulted in preliminary goodwill of around €1.6 billion.

Results of operations

Changes to the portfolio

In January, we sold the production rights and other assets relating to the production of StreetScooter electric vehicles to ODIN Automotive, Luxembourg.

In March, the subsidiaries of Hillebrand were incorporated into the Global Forwarding, Freight division. There were no other material changes in our portfolio in the reporting period.

At €1,333 million, other operating income was up substantially on the previous year's figure of €942 million, due to higher income from currency translation as well as income from the remeasurement of liabilities.

Materials expense up significantly

Materials expense climbed significantly by €6,428 million to €26,227 million, primarily as a result of higher transport costs and increased kerosene prices. In addition to currency effects of €1,078 million, the consolidation of Hillebrand caused this item to increase by €436 million. Staff costs rose from €11,678 million to €12,820 million, particularly as a result of the increased number of employees. At €2,018 million, depreciation, amortisation and impairment losses were up on the prior-year figure of €1,883 million, one reason for this being the war in Ukraine, which resulted in impairment losses of €31 million on our Russian assets. Of this, the Express division accounted for €24 million and the Global Forwarding, Freight division for €7 million. Other operating expenses came to €2,565 million, thus likewise exceeding the prior year (€2,153 million) driven by factors such as higher currency translation expenses as well as increased travel, entertainment and training costs. Net income/loss from investments accounted for using the equity method declined substantially: the income of €44 million in the prior year was followed by a loss of €9 million in the reporting period. The figure for the previous year had included income in connection with the IPO of an investment accounted for using the equity method, note 9 to the consolidated financial statements.

Selected indicators for results of operations

		H1 2021	H1 2022	Q2 2021	Q2 2022
Revenue	€m	38,333	46,622	19,473	24,029
Profit from operating activities (EBIT)	€m	3,994	4,496	2,083	2,337
Return on sales[1]	%	10.4	9.6	10.7	9.7
EBIT after asset charge (EAC)	€m	2,630	2,898	1,394	1,510
Consolidated net profit for the period[2]	€m	2,482	2,812	1,292	1,461
Earnings per share[3]	€	2.01	2.30	1.05	1.20

[1] EBIT/earnings. [2] After deduction of non-controlling interests. [3] Basic earnings per share.

Consolidated revenue up 21.6% in the first half of the year

In the first half of 2022, consolidated revenue rose from €38,333 million to €46,622 million, for reasons including positive currency effects of €1,508 million. The initial consolidation of Hillebrand caused revenue to increase by €530 million. A total of 77.0% was generated abroad (previous year: 72.3%). In the second quarter, revenue increased from €19,473 million to €24,029 million, among others as a result of positive currency effects of €961 million.

Improved consolidated EBIT

Consolidated EBIT increased by €502 million to €4,496 million in the first half of 2022. At €–269 million, net finance costs also improved over the prior-year period (€– 319 million) mainly as a result of lower strain from the measurement of stock appreciation rights (SARs) at fair value. Profit before income taxes climbed substantially by €552 million to €4,227 million. As a consequence, income taxes increased by €197 million to €1,226 million. The tax rate came to 29.0% (previous year: 28.0%)

Increase in consolidated net profit for the period

Consolidated net profit for the period came to €3,001 million in the first half of 2022, substantially exceeding the prior-year figure of €2,646 million. Of this amount, €2,812 million is attributable to Deutsche Post AG shareholders and €189 million to non-controlling interest shareholders. Basic earnings per share improved from €2.01 to €2.30 and diluted earnings per share from €1.96 to €2.25.

Increased EBIT after asset charge (EAC)

In the first half of 2022, EAC climbed from €2,630 million to €2,898 million, mainly as a result of increased profitability. The imputed asset charge rose particularly due to investments in the property, plant and equipment of the Express and Post & Parcel Germany divisions as well as an increase in net working capital. The consolidation of Hillebrand also resulted in an increase in assets.

EBIT after asset charge (EAC)

€m

	H1 2021	H1 2022	+/– %
EBIT	3,994	4,496	12.6
– Asset charge	–1,364	–1,598	–17.2
= EAC	**2,630**	**2,898**	**10.2**

Divisions

EXPRESS

Key figures, Express

€m

	H1 2021	H1 2022	+/– %	Q2 2021	Q2 2022	+/– %
Revenue	11,451	13,366	16.7	5,952	6,993	17.5
of which Europe	4,887	5,469	11.9	2,504	2,817	12.5
Americas	2,379	2,959	24.4	1,244	1,561	25.5
Asia Pacific	4,157	4,836	16.3	2,170	2,531	16.6
MEA (Middle East and Africa)	669	762	13.9	336	400	19.0
Consolidation/Other	–641	–660	–3.0	–302	–316	–4.6
Profit from operating activities (EBIT)	2,138	2,072	–3.1	1,177	1,101	–6.5
Return on sales (%)[1]	18.7	15.5	–	19.8	15.7	–
Operating cash flow	2,884	2,591	–10.2	1,443	982	–31.9

[1] EBIT/revenue.

Express: revenue by product

€m per day[1]

	H1 2021	H1 2022	+/– %	Q2 2021	Q2 2022	+/– %
Time Definite International (TDI)	70.1	79.7	13.7	73.0	83.6	14.5
Time Definite Domestic (TDD)	6.1	6.0	–1.6	6.0	6.1	1.7

[1] To improve comparability, product revenues were translated at uniform exchange rates. These revenues are also the basis for the weighted calculation of working days.

Express: volume by product

Items per day (thousands)

	H1 2021	H1 2022	+/– %	Q2 2021	Q2 2022	+/– %
Time Definite International (TDI)	1,219	1,146	–6.0	1,232	1,168	–5.2
Time Definite Domestic (TDD)	669	571	–14.6	644	564	–12.4

Continued growth in international revenues

Revenue in the division increased by 16.7% to €13,366 million in the first half of 2022. This figure includes positive currency effects of €531 million; excluding these, the revenue increase was 12.1%. The revenue figure also reflects the fact that fuel surcharges were higher than in the previous year in all regions. Excluding currency effects and fuel surcharges, first-half revenue was up by 5.6%. Revenue per day continued to increase in the TDI product line, whilst this figure declined in the TDD product line. Per-day shipment volumes decreased in both product lines.

Revenue in the Europe region increased by 11.9% to €5,469 million in the first half of 2022. That figure includes negative currency effects of €55 million; growth excluding currency effects was 13.0%. In the TDI product line, revenue per day improved by 13.8%. Per-day TDI shipment volumes decreased by 5.9%. In the second quarter, international per-day revenues were up by 15.9%; shipment volumes were down by 5.0%.

In the Americas region, revenue increased by 24.4% to €2,959 million in the first half of 2022. That figure includes positive currency effects of €205 million; excluding currency effects, revenue increased by 15.8%. Per-day TDI volumes were stable compared with the prior-year period, and per-day revenues were up by 21.8%. In the second quarter, shipment volumes rose by 2.7% and international per-day revenues by 21.7%.

In the Asia Pacific region, half-year revenue improved by 16.3% to €4,836 million. The revenue figure includes positive currency effects of €243 million; revenue growth excluding currency effects was 10.5%. In the TDI product line, per-day revenues rose by 11.1% whilst per-day volumes declined by 7.9%. In the second quarter, international per-day revenues were up by 10.7%; shipment volumes were down by 8.1%.

Revenue in the MEA region (Middle East and Africa) increased by 13.9% to €762 million in the first half of the year. That figure includes positive currency effects of €48 million; excluding currency effects, revenue increased by 6.7%. Per-day TDI revenue improved by 7.5%; per-day volumes were down by 12.4%. In the second quarter, international per-day revenues grew by 12.8%; shipment volumes decreased by 8.3%.

EBIT slightly below prior-year figure

In the first half of 2022, EBIT in the division was €2,072 million, 3.1% below the high level of the prior-year figure. Return on sales decreased from 18.7% to 15.5%. In the second quarter, EBIT in the division was €1,101 million and thus 6.5% below the prior-year figure, due in part to the regional lockdowns in China.

GLOBAL FORWARDING, FREIGHT

Key figures, Global Forwarding, Freight

€m

	H1 2021	H1 2022	+/– %	Q2 2021	Q2 2022	+/– %
Revenue	9,987	15,515	55.4	5,235	8,156	55.8
of which Global Forwarding	7,616	12,937	69.9	4,026	6,824	69.5
Freight	2,433	2,646	8.8	1,240	1,369	10.4
Consolidation/Other	–62	–68	–9.7	–31	–37	–19.4
Profit from operating activities (EBIT)	528	1,347	>100	312	746	>100
Return on sales (%)[1]	5.3	8.7	–	6.0	9.1	–
Operating cash flow	291	1,113	>100	179	695	>100

[1] EBIT/revenue.

Revenue growth spurred by high freight rate

Revenue in the division increased significantly by 55.4% to €15,515 million in the first half of 2022. Excluding positive currency effects of €487 million, revenue was up by 50.5% year-on-year. Revenue for the second quarter of 2022 rose by 55.8% compared with the prior-year figure. In the Global Forwarding business unit, revenue was up 69.9% to €12,937 million, due primarily to the continued high freight rates in the first half of 2022. Excluding positive currency effects of €515 million, the increase was 63.1%. At €2,562 million in the first half of 2022, gross profit in the Global Forwarding business unit was likewise up significantly on the prior-year figure of €1,496 million.

Global Forwarding: revenue

€m

	H1 2021	H1 2022	+/– %	Q2 2021	Q2 2022	+/– %
Air freight	3,824	5,633	47.3	1,984	2,777	40.0
Ocean freight	2,749	5,829	>100	1,494	3,230	>100
Other	1,043	1,475	41.4	548	817	49.1
Total	**7,616**	**12,937**	**69.9**	**4,026**	**6,824**	**69.5**

Global Forwarding: volumes

Thousands

		H1 2021	H1 2022	+/– %	Q2 2021	Q2 2022	+/– %
Air freight exports	tonnes	1,011	986	–2.5	517	477	–7.7
Ocean freight	TEU[1]	1,551	1,642	5.9	787	876	11.3

[1] Twenty-foot equivalent units.

Gross profit increase in air and ocean freight

We registered a 2.5% decline in air freight volumes in the first half of 2022, primarily on trade routes to and from China due to the lockdown in Shanghai during the second quarter. At the same time, freight rates remained at a very high level, resulting in revenue from air freight exceeding the prior-year figure by 47.3%. Gross profit improved by 68.6% due to the increasing demand for charter flights amongst other factors. In the second quarter of 2022, air freight revenue rose by 40.0% and gross profit was 67.4% above the prior-year figure.

In the first half of 2022, ocean freight volumes were up 5.9% year-on-year. Excluding the acquisition of Hillebrand, this figure was 0.6% below the prior-year level. The market situation remained strained in light of the continued limited availability of freight capacities.

Ocean freight revenues more than doubled in the first half of the year; excluding Hillebrand, the increase was 95.6%. Gross profit improved by more than 100% in the first half of the year. Revenue increased more than 100% in the second quarter of 2022 as well; excluding Hillebrand, the increase was 85.9%.

Revenue up in European overland transport business

In the Freight business unit, revenue rose by 8.8% to €2,646 million in the first half of 2022, with negative currency effects of €29 million. The volume was down by 3.7% year-on-year. Gross profit for the business unit rose by 6.3% to €670 million. Revenue for the second quarter was up 10.4% year-on-year and volumes were down 4.4%.

Earnings continue to improve

EBIT in the division increased from €528 million to €1,347 million in the first half of 2022, accompanied by an EBIT margin of 8.7%. In the Global Forwarding business unit, EBIT amounted to 49.6% of gross profit. In the second quarter, EBIT in the division increased from €312 million to €746 million.

SUPPLY CHAIN

Key figures, Supply Chain

€m

	H1 2021	H1 2022	+/– %	Q2 2021	Q2 2022	+/– %
Revenue	6,556	7,884	20.3	3,315	4,069	22.7
of which EMEA (Europe, Middle East and Africa)	3,142	3,521	12.1	1,609	1,766	9.8
Americas	2,443	3,263	33.6	1,217	1,739	42.9
Asia Pacific	986	1,133	14.9	497	578	16.3
Consolidation/Other	–15	–33	<–100	–8	–14	–75.0
Profit from operating activities (EBIT)	365	449	23.0	198	244	23.2
Return on sales (%)[1]	5.6	5.7	–	6.0	6.0	–
Operating cash flow	384	226	–41.1	143	119	–16.8

[1] EBIT/revenue.

Double-digit revenue growth continues

Revenue in the division increased by 20.3% to €7,884 million in the first half of 2022. Excluding positive currency effects of €376 million, revenue was up by 14.5% year-on-year. All regions and sectors generated double-digit growth rates, with Consumer, Retail and Auto-mobility recording the most significant growth. Amongst other factors, revenue growth is based on growth in eFulfillment and omnichannel solutions, increasing new business and contract renewals. In the second quarter of 2022, revenue increased by 22.7% to €4,069 million.

Supply Chain: revenue by sector and region, H1 2022

Total revenue: €7,884 million

of which Retail	28%
Consumer	23%
Auto-mobility	16%
Technology	12%
Life Sciences & Healthcare	12%
Engineering & Manufacturing	6%
Others	3%
of which Europe/Middle East/Africa/Consolidation	45%
Americas	41%
Asia Pacific	14%

New business worth €571 million secured

In the first half of 2022, the division concluded additional contracts worth €571 million in annualised revenue with both new and existing customers, which corresponds to a total contract volume of €2 billion. The Retail and Consumer sectors accounted for the majority of new business, which was largely attributable to eFulfillment and omnichannel solutions. The annualised contract renewal rate remained at a consistently high level.

Profit growth continues

EBIT in the division increased to €449 million in the first half of 2022 (previous year: €365 million). The growth in profit follows the continued positive development of revenue and benefited from productivity increases thanks to digitalisation and standardisation as well as new business with higher-margin solutions. The EBIT margin for the first half of 2022 was 5.7%. EBIT in the division for the second quarter of 2022 amounted to €244 million (previous year: €198 million).

ECOMMERCE SOLUTIONS

Key figures, eCommerce Solutions

€m

	H1 2021	H1 2022	+/– %	Q2 2021	Q2 2022	+/– %
Revenue	2,888	2,957	2.4	1,434	1,512	5.4
of which Americas	984	1,023	4.0	499	522	4.6
Europe	1,573	1,581	0.5	779	802	3.0
Asia	336	353	5.1	159	187	17.6
Other/Consolidation	–5	0	100.0	–3	1	>100
Profit from operating activities (EBIT)	233	211	–9.4	116	109	–6.0
Return on sales (%)[1]	8.1	7.1	–	8.1	7.2	–
Operating cash flow	405	296	–26.9	175	126	–28.0

[1] EBIT/revenue.

Revenue growth in all regions

The division generated revenue of €2,957 million in the first half of 2022, up 2.4% on the prior-year figure. This figure was reduced by €69 million through portfolio adjustments in Asia during the reporting period. Excluding positive currency effects of €129 million, revenue was down by 2.1% year-on-year. Division revenue for the second quarter of 2022 increased by 5.4% to €1,512 million.

EBIT below prior-year level

EBIT in the division was €211 million in the first half of 2022, thus coming in below the prior-year figure of €233 million. This was due primarily to decreasing volumes in B2C business and higher costs. The EBIT margin for the first half of 2022 was 7.1%. EBIT in the division for the second quarter of 2022 amounted to €109 million (previous year: €116 million).

POST & PARCEL GERMANY

Key figures, Post & Parcel Germany

€m

	H1 2021	H1 2022	+/– %	Q2 2021	Q2 2022	+/– %
Revenue	8,719	8,208	–5.9	4,164	3,963	–4.8
of which Post Germany	3,872	3,966	2.4	1,838	1,878	2.2
Parcel Germany	3,506	3,050	–13.0	1,686	1,506	–10.7
International	1,292	1,151	–10.9	617	558	–9.6
Other/Consolidation	49	41	–16.3	23	21	–8.7
Profit from operating activities (EBIT)	871	597	–31.5	315	242	–23.2
Return on sales (%)[1]	10.0	7.3	–	7.6	6.1	–
Operating cash flow	1,105	880	–20.4	494	401	–18.8

[1] EBIT/revenue.

Revenue below prior-year level

Division revenue in the first half of 2022 was €8,208 million and therefore 5.9% below the prior-year figure, due primarily to a significant decrease in German parcel business as well as international parcel and letter shipments. Revenue for the second quarter was down 4.8% compared to the prior-year period.

Varying business unit performance

In Mail Communication, revenue and volumes were at the level of the previous year in the first half of 2022, and even exceeded the figures in the second quarter. This is due primarily to price increases for some of the mail products subject to regulation as of 1 January 2022, high rates of postal ballots for the state elections in the spring and one additional working day.

Revenue and volumes in Dialogue Marketing exceeded the figures from the first half of the previous year, which were weakened by the pandemic.

In the first half of 2022, volumes and revenue fell by 16.5% and 13.0%, respectively, in German parcel business within the context of the very high levels of the previous year. Consumer confidence cooled off as a result of inflation and additionally after the outbreak of the war in Ukraine due to uncertainty amongst consumers.

In imports shipped as letter mail, the trend from the first quarter of dropping volumes for lightweight goods from Asia continued in the second quarter of 2022. The very high level of the previous year due to the pandemic was also not achieved for imports shipped as parcels. The same goes for exports of documents to Europe and the rest of the world.

Post & Parcel Germany: revenue

€m

	H1 2021	H1 2022	+/– %	Q2 2021	Q2 2022	+/– %
Post Germany	3,872	3,966	2.4	1,838	1,878	2.2
of which Mail Communication	2,694	2,701	0.3	1,252	1,272	1.6
Dialogue Marketing	824	908	10.2	411	432	5.1
Other/Consolidation Post Germany	354	357	0.8	175	174	–0.6
Parcel Germany	3,506	3,050	–13.0	1,686	1,506	–10.7

Post & Parcel Germany: volumes

Mail items (millions)

	H1 2021	H1 2022	+/– %	Q2 2021	Q2 2022	+/– %
Post Germany	6,748	7,083	5.0	3,267	3,361	2.9
of which Mail Communication	3,130	3,152	0.7	1,410	1,464	3.8
Dialogue Marketing	3,135	3,463	10.5	1,597	1,653	3.5
Parcel Germany	946	790	–16.5	457	392	–14.2

EBIT remains behind the strong first half of the previous year

Division EBIT in the first half of 2022 amounted to €597 million and thus fell 31.5% short of the remarkable prior-year period, in which we generated higher revenues in parcel business in particular due to the pandemic. The revenue decrease in the first half of the year was partially compensated by strict cost management and revenue growth in Dialogue Marketing. In the second quarter of 2022, the negative EBIT trend has eased significantly compared to the first three months of the year.

Sustainability

We are working steadily on implementing our ESG Roadmap and achieving our ESG goals. In the reporting period, absolute greenhouse gas emissions were lower than in the previous year due to the slight decline in transport volumes and better utilisation of the air transport network. Against the backdrop of the current major challenges in the availability of sustainable fuels in air and sea transport, the volumes procured are below our planned figures.

Our climate change targets are developed in accordance with the requirements of the Science Based Targets initiative (SBTi) and were submitted for validation by SBTi in June.

Financial position

Selected cash flow indicators

€m

	H1 2021	H1 2022	Q2 2021	Q2 2022
Cash and cash equivalents as at 30 June	3,887	3,493	3,887	3,493
Change in cash and cash equivalents	–630	–61	–1,208	–807
Net cash from operating activities	4,728	4,410	2,238	1,984
Net cash used in/from investing activities	–1,490	201	–684	1,164
Net cash used in financing activities	–3,868	–4,672	–2,762	–3,955

Finance strategy

Credit rating

- Maintain stand-alone ratings between “Baa1” and “A3” and “BBB+” and “A–”, respectively

Regular dividend policy

- Pay 40% to 60% of net profit
- Consider cash flow and continuity

Debt portfolio

- Syndicated credit facility as a liquidity reserve
- Sustainability-linked finance framework as option for future funding

Priorities for available liquidity

Free cash flow generation

Fund business operations

Finance organic investments

Pay regular dividend

Shareholder distribution beyond regular dividend or share buy-backs

Fund inorganic growth

Balance sheet strength

Investors

- Value creation through transparent and effective capital allocation
- Transparent and reliable information from the company
- Predictability of expected shareholders distribution

Group

- Preserve financial and strategic flexibility
- Commitment to the Group’s ESG Roadmap
- Assure access to debt capital markets and low cost of capital

Updated finance strategy

Building on the principles and objectives of financial management, and in light of the Group’s strong financial position, the Corporate Board updated the finance strategy in January 2022. It takes into account the shareholders’ interests and the lenders’ requirements, focusing on value creation through a transparent and effective allocation of capital. It also aims to maintain financial flexibility and a low cost of capital for the Group with a high degree of continuity and predictability for investors, and to support the Group’s ESG roadmap.

One key component of the strategy is a stand-alone target rating between “Baa1” and “A3” and “BBB+” and “A– ”, respectively. The strategy also sets clear priorities on how available liquidity is allocated. It will first be used to fund business operations, finance organic investments and make regular dividend payments. Thereafter, additional dividend payments or share buy-backs as well as inorganic growth could be considered. In June, our credit rating was upgraded by Moody’s Investors Service from A3 to A2 with a continued stable outlook. Furthermore, in April, the outlook on our credit rating was changed from stable to positive by the rating agency Fitch Ratings, dpdhl.com.

Solid liquidity

As of 30 June 2022, the Group's reported liquidity was €4.0 billion, consisting of cash and cash equivalents of €3.5 billion and current financial assets of €0.5 billion. In view of our solid liquidity, the syndicated credit line with a total volume of €2 billion was not drawn. In addition to the syndicated credit line, unused bilateral credit lines totalling €1.3 billion were in place at the reporting date. The €0.5 billion bond issued in June 2012 was repaid in the reporting period. Therefore, as of 30 June 2022, nine bonds with a total volume of €6.2 billion and a volume-weighted average duration of 4.9 years were still outstanding.

Capital expenditure for assets at prior-year level

Investments in property, plant and equipment, and intangible assets (not including goodwill) acquired amounted to €1,362 million in the first half of 2022 (previous year: €1,377 million). As planned, we made additional investments in renewing the Express division's intercontinental aircraft fleet. In this context, two Boeing 777 freighters were delivered and advance payments made towards the new order for a further six freighters of this model. Some of these investments were attributable to rights of use.

For a breakdown of capital expenditure (capex) into asset classes and by division and region see note 11 and 16 to the consolidated financial statements.

Calculation of free cash flow

€m

	H1 2021	H1 2022	Q2 2021	Q2 2022
Net cash from operating activities	**4,728**	**4,410**	**2,238**	**1,984**
Sale of property, plant and equipment and intangible assets	56	49	19	23
Acquisition of property, plant and equipment and intangible assets	–1,429	–1,487	–725	–748
Cash outflow from change in property, plant and equipment and intangible assets	**–1,373**	**–1,438**	**–706**	**–725**
Disposals of subsidiaries and other business units	3	64	3	21
Acquisition of subsidiaries and other business units	0	–1,381	0	–4
Acquisition of investments accounted for using the equity method and other investments	–2	0	0	0
Cash inflow/outflow from divestitures/acquisitions	**1**	**–1,317**	**3**	**17**
Proceeds from lease receivables	14	88	7	46
Interest from lease receivables	0	9	0	4
Repayment of lease liabilities	–1,033	–1,075	–491	–550
Interest on lease liabilities	–186	–212	–92	–110
Cash outflow for leases	**–1,205**	**–1,190**	**–576**	**–610**
Interest received (without leasing)	33	78	18	57
Interest paid (without leasing)	–82	–75	–58	–58
Net interest paid/received	**–49**	**3**	**–40**	**–1**
Free cash flow	**2,102**	**468**	**919**	**665**

Decline in net cash from operating activities

Net cash from operating activities decreased from €4,728 million in the prior-year period to €4,410 million in the first half of 2022. The improved EBIT was more than offset by increased income tax payments and, in particular, a higher cash outflow as a result of changes in working capital.

Net cash from investing activities amounted to €201 million, compared with a cash outflow of €1,490 million in the prior year. Payments made for the acquisition of subsidiaries and other business units amounted to €1,381 million and relate primarily to the acquisition of Hillebrand. The disposal of other non-current financial assets generated a cash inflow of €210 million, which arose primarily from the repayment of loans granted. The change in current financial assets produced a cash inflow of €2,671 million, following a cash outflow of €145 million in the prior year. During the reporting period, money market funds were, for the most part, sold to cover the dividend payment to the shareholders and the purchase price for Hillebrand.

Free cash flow declined substantially from €2,102 million to €468 million; the decline mainly reflects the payment of the purchase price for Hillebrand. Adjusted for this net cash outflow of €1,379 million, free cash flow stands at €1,847 million.

Net cash used in financing activities rose from €3,868 million to €4,672 million. The dividend payment for 2021 increased by €532 million to €2,205 million. Cash and cash equivalents fell slightly from €3,531 million as at 31 December 2021 to €3,493 million.

Net assets

Selected indicators for net assets

		31 Dec. 2021	30 June 2022
Equity ratio	%	30.7	33.9
Net debt	€m	12,772	16,344
Net interest cover[1]		17.0	22.5
Net gearing	%	39.6	42.1

[1] In the first half-year.

Consolidated total assets up

The Group's total assets amounted to €66,351 million as at 30 June 2022 and were thus higher than at 31 December 2021 (€63,592 million).

Non-current assets increased from €40,858 million to €43,799 million. In particular, the initial consolidation of Hillebrand caused intangible assets to increase by €1,830 million to €13,906 million. Property, plant and equipment increased appreciably by €1,432 million to €26,335 million, with capital expenditure and positive currency effects substantially exceeding depreciation, amortisation and impairment losses and disposals. Other non-current assets rose considerably by €260 million to €847 million, particularly because actuarial gains resulted in a substantial increase in pension assets. Current financial assets dropped significantly from €3,088 million to €471 million, due mainly to the sale of money-market funds. Trade receivables increased from €11,683 million to €13,411 million. Other current assets rose by €455 million to €4,043 million. This figure includes the deferred expense of €160 million at the reporting date that was recognised for the prepaid annual contribution to civil servant pensions to the *Bundesanstalt für Post und Telekommunikation*. Cash and cash equivalents declined slightly by €38 million to €3,493 million. Assets held for sale climbed by €89 million to €110 million due primarily to the fact that we plan to sell our business in Russia.

At €21,844 million, equity attributable to Deutsche Post AG shareholders was higher than at 31 December 2021 (€19,037 million). The consolidated net profit for the period, the remeasurement of pension provisions and currency effects increased this figure, whilst the dividend payment and share buy-backs decreased it. In particular, higher interest rates resulted in a noticeable decline of €2,169 million in provisions for pensions and similar obligations to €2,016 million. At €20,961 million, financial liabilities were €1,064 million higher than the prior-year figure, particularly due to an increase in lease liabilities. Trade payables increased from €9,556 million to €9,828 million. Other current liabilities climbed by €458 million to €6,596 million, due primarily to an increase in liabilities to employees, such as holiday entitlements.

Increase in net debt to €16,344 million

Our net debt rose from €12,772 million as at 31 December 2021 to €16,344 million as at 30 June 2022. At 33.9%, the equity ratio exceeded the figure as at 31 December 2021 (30.7%). Net interest cover jumped from 17.0 to 22.5. Net gearing was 42.1% as at 30 June 2022.

Net debt

€m

	31 Dec. 2021	30 June 2022
Non-current financial liabilities	16,589	17,313
+ Current financial liabilities	2,802	3,052
= **Financial liabilities**[1]	**19,391**	**20,365**
– Cash and cash equivalents	3,531	3,493
– Current financial assets	3,088	471
– Positive fair value of non-current financial derivatives[2]	0	57
= **Financial assets**	**6,619**	**4,021**
Net debt	**12,772**	**16,344**

[1] Less operating financial liabilities.
[2] Recognised in non-current financial assets in the balance sheet.

EXPECTED DEVELOPMENTS, OPPORTUNITIES AND RISKS

Future economic parameters

The ability of Ukraine to withstand the Russian invasion for months now points to a protracted military conflict. This means that an end to burdens on economic activity – arising from, among others, higher energy prices – and resulting inflation pressure should not be expected any time soon. At the same time, the rebounding number of infections demonstrates that there are sizable risks of a return to pandemic-related restrictions in the coming winter.

Economic forecasts are being updated in rapid succession at present. For this report, we refer to the latest information available prior to the editorial deadline.

S&P Global expects global growth of only 2.7% in 2022, compared with the April forecast, which had already been scaled back to 3.2%. In its July forecast, the IMF predicts an increase of global trade volume of 4.1 %, less than half as much as in the previous year. In mid-2022, risks for global demand clearly dominate, both in terms of the growth-dampening and inflation-boosting effects of the war and with respect to resurgent pandemic-related threats. A sustained recovery of intercontinental transport thus appears unlikely ahead of mid-2023.

In the US, average GDP growth should be especially weak at 1.4% in 2022.

GDP in China should grow more strongly (forecast: 4.0%) as a whole despite the second-quarter setback owing to the pandemic. However, a potential renewed introduction of widespread lockdowns would particularly dampen quite significantly the forecast for 2023, currently put at 5.2%.

The eurozone (S&P Global forecast 2.5%) is benefiting from the late easing of restrictions and fiscal support measures. The ECB key interest rate increase by 0.50% on 21 July and the early announcement of further rate hikes over the coming months will improve the chances of a damper being placed on inflation whilst exerting only moderate pressure on the economy, as the latter will continue to be hampered by supply chain constraints rather than the absence of demand.

For Germany, much will depend on whether Russia maintains at least part of its contractually agreed gas exports and an acute gas supply shortage can thus be averts. The extremely high gas prices will possibly force the government to take additional fiscal support measures. German GDP growth currently is expected at only 1.7% in 2022 and 1.2% in 2023.

Expected developments

Business in the first half of 2022 largely matched our expectations with respect to growth trends in B2B volumes, with B2C business also displaying the expected normalisation. The imbalances in international transportation markets also persisted. In the second half of the year, the rate of normalisation of B2C volumes against the high prior-year figures is expected to slow, starting a trend reversal towards the structural growth path. The B2B business is likely to remain caught between trends in demand, on the one hand, and capacity shortfalls, on the other.

Against this backdrop, we continue to expect consolidated EBIT of roughly €8.0 billion in the 2022 financial year (+/– max. 5%). The DHL divisions are still projected to generate total EBIT of approximately €7.0 billion (+/– max. 4%). In the Post & Parcel Germany division, EBIT is forecast to come in at around €1.5 billion (+/– max. 10%). Group Functions is anticipated to contribute approximately €–0.45 billion to earnings.

To facilitate a better assessment of how the emergence of a recessionary economic environment in the second half of the year – as feared by many market observers – could impact on earnings in the current financial year, we have considered a number of different scenarios. Even if the global economy cools dramatically in the second half of 2022, the Group expects EBIT in the lower half of the forecast range, i.e. between €7.6 billion and €8.0 billion. If global GDP growth slows down only gradually in the second half of the year, the Group projects EBIT to be in the upper half of the forecast range, i.e. between €8.0 billion and €8.4 billion. If business performance continues at the same level as in the first six months, the Group believes that EBIT even above the forecast range, i.e. of more than €8.4 billion, is possible.

We still plan to increase capital expenditure (excluding leases) to around €4.2 billion in 2022. Free cash flow (excluding acquisitions/divestments) is projected at around €3.6 billion (+/– max. 5%).

Opportunities and risks

We now assess the aggregated effect of all foreign currency gains and losses as only a risk and an opportunity of low relevance for the Group.

The impact of the war in Ukraine, both the direct effects on our business in Russia and Ukraine and indirect effects, such as higher inflation and the weakening of the global economy, represents a risk of medium significance for us at present.

Declining growth rates in parcel business are also a risk of medium relevance for us.

The Group's overall opportunity and risk situation did not otherwise change significantly during the first half of 2022 as compared with the situation described in the @ 2021 Annual Report beginning on page 63. Based upon the Group's early warning system and in the estimation of its Board of Management, there were no identifiable risks for the Group in the current year which, individually or collectively, cast doubt upon the Group's ability to continue as a going concern. Nor are any such risks apparent in the foreseeable future.

INCOME STATEMENT

1 January to 30 June

€m	Note	H1 2021	H1 2022	Q2 2021	Q2 2022
Revenue	4	38,333	46,622	19,473	24,029
Other operating income	5	942	1,333	528	770
Changes in inventories and work performed and capitalised	6	188	180	151	152
Materials expense		−19,799	−26,227	−10,216	−13,743
Staff costs		−11,678	−12,820	−5,840	−6,500
Depreciation, amortisation and impairment losses	7	−1,883	−2,018	−953	−1,009
Other operating expenses	8	−2,153	−2,565	−1,104	−1,355
Net income from investments accounted for using the equity method	9	44	−9	44	−7
Profit from operating activities (EBIT)		**3,994**	**4,496**	**2,083**	**2,337**
Financial income		75	197	45	105
Finance costs		−373	−423	−195	−225
Foreign currency result		−21	−43	−15	−26
Net finance costs		**−319**	**−269**	**−165**	**−146**
Profit before income taxes		**3,675**	**4,227**	**1,918**	**2,191**
Income taxes		−1,029	−1,226	−537	−636
Consolidated net profit for the period		**2,646**	**3,001**	**1,381**	**1,555**
attributable to Deutsche Post AG shareholders		2,482	2,812	1,292	1,461
attributable to non-controlling interests		164	189	89	94
Basic earnings per share (€)	10	2.01	2.30	1.05	1.20
Diluted earnings per share (€)	10	1.96	2.25	1.02	1.17

STATEMENT OF COMPREHENSIVE INCOME

1 January to 30 June

€m	H1 2021	H1 2022	Q2 2021	Q2 2022
Consolidated net profit for the period	**2,646**	**3,001**	**1,381**	**1,555**
Items that will not be reclassified to profit or loss				
Change due to remeasurements of net pension provisions	1,731	2,374	286	1,654
Reserve for equity instruments without recycling	12	1	9	–3
Income taxes relating to components of other comprehensive income	–173	–191	–104	–99
Total, net of tax	1,570	2,184	191	1,552
Items that may be reclassified subsequently to profit or loss				
Hedging reserves				
Changes from unrealised gains and losses	22	34	11	17
Changes from realised gains and losses	1	–11	–3	–7
Currency translation reserve				
Changes from unrealised gains and losses	375	768	–105	524
Changes from realised gains and losses	0	0	0	0
Income taxes relating to components of other comprehensive income	–6	–6	–2	–2
Share of other comprehensive income of investments accounted for using the equity method, net of tax	1	7	–2	5
Total, net of tax	393	792	–101	537
Other comprehensive income, net of tax	**1,963**	**2,976**	**90**	**2,089**
Total comprehensive income	**4,609**	**5,977**	**1,471**	**3,644**
attributable to Deutsche Post AG shareholders	4,434	5,768	1,382	3,539
attributable to non-controlling interests	175	209	89	105

BALANCE SHEET

€m	Note	31 Dec. 2021	30 June 2022
ASSETS			
Intangible assets	11	12,076	13,906
Property, plant and equipment	11	24,903	26,335
Investment property		48	22
Investments accounted for using the equity method		111	114
Non-current financial assets	12	1,190	1,145
Other non-current assets		587	847
Deferred tax assets		1,943	1,430
Non-current assets		**40,858**	**43,799**
Inventories		593	765
Current financial assets	12	3,088	471
Trade receivables		11,683	13,411
Other current assets		3,588	4,043
Income tax assets		230	259
Cash and cash equivalents		3,531	3,493
Assets held for sale	13	21	110
Current assets		**22,734**	**22,552**
TOTAL ASSETS		**63,592**	**66,351**

€m	Note	31 Dec. 2021	30 June 2022
EQUITY AND LIABILITIES			
Issued capital	14	1,224	1,218
Capital reserves	15	3,533	3,522
Other reserves		–733	38
Retained earnings	15	15,013	17,066
Equity attributable to Deutsche Post AG shareholders		19,037	21,844
Non-controlling interests		462	652
Equity		**19,499**	**22,496**
Provisions for pensions and similar obligations		4,185	2,016
Deferred tax liabilities		137	140
Other non-current provisions		1,946	1,980
Non-current financial liabilities		16,614	17,339
Other non-current liabilities		304	339
Non-current provisions and liabilities		**23,186**	**21,814**
Current provisions		1,208	1,200
Current financial liabilities		3,283	3,622
Trade payables		9,556	9,828
Other current liabilities		6,138	6,596
Income tax liabilities		717	712
Liabilities associated with assets held for sale	13	5	83
Current provisions and liabilities		**20,907**	**22,041**
TOTAL EQUITY AND LIABILITIES		**63,592**	**66,351**

CASH FLOW STATEMENT

1 January to 30 June

€m	H1 2021	H1 2022	Q2 2021	Q2 2022
Consolidated net profit for the period	2,646	3,001	1,381	1,555
Income taxes	1,029	1,226	537	636
Net finance costs	319	269	165	146
Profit from operating activities (EBIT)	**3,994**	**4,496**	**2,083**	**2,337**
Depreciation, amortisation and impairment losses	1,883	2,018	953	1,009
Net cost/net income from disposal of non-current assets	8	–63	6	–9
Non-cash income and expense	–35	–7	–56	–67
Change in provisions	–78	24	–87	27
Change in other non-current assets and liabilities	–20	–47	–4	–22
Dividend received	0	5	0	3
Income taxes paid	–544	–845	–271	–457
Net cash from operating activities before changes in working capital	**5,208**	**5,581**	**2,624**	**2,821**
Changes in working capital				
Inventories	–129	–110	–101	–109
Receivables and other current assets	–1,312	–1,488	–273	–641
Liabilities and other items	961	427	–12	–87
Net cash from operating activities	**4,728**	**4,410**	**2,238**	**1,984**
Subsidiaries and other business units	3	64	3	21
Property, plant and equipment and intangible assets	56	49	19	23
Other non-current financial assets	20	210	8	161
Proceeds from disposal of non-current assets	79	323	30	205

1 January to 30 June

€m

	H1 2021	H1 2022	Q2 2021	Q2 2022
Subsidiaries and other business units	0	–1,381	0	–4
Property, plant and equipment and intangible assets	–1,429	–1,487	–725	–748
Investments accounted for using the equity method and other investments	–2	0	0	0
Other non-current financial assets	–26	–12	–24	–2
Cash paid to acquire non-current assets	–1,457	–2,880	–749	–754
Interest received	33	87	18	61
Current financial assets	–145	2,671	17	1,652
Net cash used in/from investing activities	**–1,490**	**201**	**–684**	**1,164**
Proceeds from issuance of non-current financial liabilities	130	0	130	0
Repayments of non-current financial liabilities	–1,808	–1,938	–507	–1,348
Change in current financial liabilities	55	18	–373	2
Other financing activities	36	93	32	45
Proceeds from transactions with non-controlling interests	0	8	0	0
Dividend paid to Deutsche Post AG shareholders	–1,673	–2,205	–1,673	–2,205
Dividend paid to non-controlling interest holders	–27	–29	–15	–16
Purchase of treasury shares	–313	–332	–206	–265
Interest paid	–268	–287	–150	–168
Net cash used in financing activities	**–3,868**	**–4,672**	**–2,762**	**–3,955**
Net change in cash and cash equivalents	**–630**	**–61**	**–1,208**	**–807**
Effect of changes in exchange rates on cash and cash equivalents	35	72	–18	37
Changes in cash and cash equivalents associated with assets held for sale	0	–49	0	–47
Cash and cash equivalents at beginning of reporting period	4,482	3,531	5,113	4,310
Cash and cash equivalents at end of reporting period	**3,887**	**3,493**	**3,887**	**3,493**

STATEMENT OF CHANGES IN EQUITY

1 January to 30 June

€m			Other reserves						
	Issued capital	Capital reserves	Hedging reserves	Reserve for equity instruments without recycling	Currency translation reserve	Retained earnings	Equity attributable to Deutsche Post AG shareholders	Non-controlling interests	Total equity
Balance at 1 January 2021	1,239	3,519	–17	–27	–1,622	10,685	**13,777**	**301**	**14,078**
Dividend						–1,673	–1,673	–27	**–1,700**
Transactions with non-controlling interests			0	0	0	0	0	0	**0**
Changes in non-controlling interests due to changes in consolidated group							0	0	**0**
Capital increase/decrease	–4	–9				–517	–530	0	**–530**
							–2,203	**–27**	**–2,230**
Total comprehensive income Consolidated net profit for the period						2,482	2,482	164	**2,646**
Currency translation differences					366		366	11	**377**
Change due to remeasurements of net pension provisions						1,557	1,557	0	**1,557**
Other changes			17	12		0	29	0	**29**
							4,434	**175**	**4,609**
Balance at 30 June 2021	**1,235**	**3,510**	**0**	**–15**	**–1,256**	**12,534**	**16,008**	**449**	**16,457**
Balance at 1 January 2022	1,224	3,533	6	–12	–727	15,013	**19,037**	**462**	**19,499**
Dividend						–2,205	–2,205	–30	**–2,235**
Transactions with non-controlling interests			0	0	0	7	7	0	**7**
Changes in non-controlling interests due to changes in consolidated group							0	11	**11**
Capital increase/decrease	–6	–11				–746	–763	0	**–763**
							–2,961	**–19**	**–2,980**
Total comprehensive income Consolidated net profit for the period						2,812	2,812	189	**3,001**
Currency translation differences					755		755	20	**775**
Change due to remeasurements of net pension provisions						2,185	2,185	0	**2,185**
Other changes			17	–1		0	16	0	**16**
							5,768	**209**	**5,977**
Balance at 30 June 2022	**1,218**	**3,522**	**23**	**–13**	**28**	**17,066**	**21,844**	**652**	**22,496**

SELECTED EXPLANATORY NOTES

Company information

Deutsche Post AG is a listed corporation domiciled in Bonn, Germany. The condensed consolidated interim financial statements of Deutsche Post AG and its subsidiaries cover the period from 1 January to 30 June 2022 and have been reviewed.

Basis of preparation

1 Basis of accounting

The condensed consolidated interim financial statements as at 30 June 2022 were prepared in accordance with the International Financial Reporting Standards (IFRSs) and related interpretations issued by the International Accounting Standards Board (IASB) for interim financial reporting, as adopted by the European Union. These interim financial statements thus include all information and disclosures required by IFRSs to be presented in condensed interim financial statements.

Preparation of the condensed consolidated interim financial statements in accordance with IAS 34 requires the Board of Management to exercise judgement and make estimates and assumptions that affect the application of accounting policies in the Group and the presentation of assets, liabilities, income and expenses. Actual amounts may differ from these estimates. The results obtained thus far in the 2022 financial year are not necessarily an indication of how business will develop in the future.

The accounting policies applied to the condensed consolidated interim financial statements are generally based upon the same accounting policies used in the consolidated financial statements for the 2021 financial year. Exceptions are the new or revised International Financial Reporting Standards (IFRSs) required to be applied for the first time in the 2022 financial year that, however, have not had a material influence on the consolidated interim financial statements. Detailed explanations of these can be found in the @ **2021 Annual Report in note 5 to the consolidated financial statements.**

The income tax expense for the reporting period was deferred on the basis of the tax rate expected to apply to the full financial year. The tax rate for 2022 increased primarily because the recognition of additional deferred taxes on tax loss carryforwards is expected to be smaller due to the use of tax losses compared with the previous year.

In accordance with IAS 29, Turkey has met the criteria regarding a cumulative inflation rate of more than 100% over a period of three years since the beginning of 2022. As a result of the insignificant effects on the consolidated financial statements, it was decided not to apply the principles of financial reporting in hyperinflationary economies for Turkish companies.

2 Consolidated group

The number of companies consolidated with Deutsche Post AG is shown in the following table:

Consolidated group

	31 Dec. 2021	30 June 2022
Number of fully consolidated companies (subsidiaries)		
German	83	82
Foreign	636	690
Number of joint operations		
German	1	1
Foreign	0	0
Number of investments accounted for using the equity method		
German	1	1
Foreign	16	18

The increase in the number of companies included in the consolidated group resulted mainly from the acquisition of ocean freight specialist J.F. Hillebrand Group (Hillebrand), including its around 90 companies.

Acquisitions in 2022

The following acquisitions were made in the first half of 2022:

Acquisitions in 2022

Name	Country	Segment	Equity interest %	Acquisition date
J.F. Hillebrand Group	Germany	Global Forwarding, Freight	100	March 2022

In March 2022, Deutsche Post DHL Group acquired Hillebrand, including its around 90 companies. Hillebrand is a global service provider specialised in the ocean freight forwarding, transport and logistics of beverages, non-hazardous bulk liquids and other products that require special care. The acquisition enables Global Forwarding, Freight to expand its business in this market segment. In August 2021, Deutsche Post DHL Group had signed an acquisition agreement and had made a deposit of €100 million. Following the clearance of the transaction by the responsible competition authorities, the purchase price of €1,452 million was paid in full at the end of March 2022.

J.F. Hillebrand Group

€m

	Preliminary fair value
Non-current assets	102
Current assets	488
Cash and cash equivalents	72
ASSETS	**662**
Non-current provisions and liabilities	314
Current provisions and liabilities	489
EQUITY AND LIABILITIES	**803**
Preliminary net assets	**–141**
Purchase price	1,452
Difference	**1,593**
Non-controlling interests	11
Preliminary goodwill	**1,604**

The acquisition resulted in preliminary goodwill, which currently amounts to €1.6 billion and cannot be deducted from tax. It is mainly attributable to the synergies and network effects expected from the dynamic ocean freight forwarding market. Current assets include trade receivables of €298 million. There was a difference of €21 million between the gross amount and the carrying amount.

The measurement of the assets acquired and liabilities assumed has not yet been completed due to time restrictions. The final purchase price allocation will be presented at a later date.

Since their consolidation, the companies have contributed €530 million to consolidated revenue and €37 million to consolidated EBIT, set against transaction costs of €20 million. If the companies had already been acquired as at 1 January 2022, they would have contributed an additional €437 million to consolidated revenue and €20 million to consolidated EBIT.

Disposal and deconsolidation effects

The following companies were sold in the first half of 2022:

Disposals in 2022

Name	Country	Segment	Equity interest %	Date of disposal
Significant disposals				
StreetScooter and subsidiaries	Germany, Japan, Switzerland	Group Functions	100	January 2022
Insignificant disposals				
Greenplan GmbH	Germany	Group Functions	100	January 2022
Véron Grauer AG	Switzerland	Global Forwarding, Freight	100	March 2022
DHL Global Forwarding Côte d'Ivoire S.A.	Ivory Coast	Global Forwarding, Freight	100	June 2022
DHL Global Forwarding (Senegal) S.A.	Senegal	Global Forwarding, Freight	100	June 2022

On 3 January 2022, Deutsche Post DHL Group sold the production rights and the complete ownership of the intangible assets for the production of StreetScooter electric vans as well as all shares in StreetScooter Japan K.K. and StreetScooter Schweiz AG to ODIN Automotive S.à r.l., Luxembourg. The sale resulted in disposal gain of €66 million in the 2022 financial year, note 5.

€m	StreetScooter
Non-current assets	15
Current assets	0
Cash and cash equivalents	2
ASSETS	**17**
Non-current provisions and liabilities	1
Current provisions and liabilities	5
EQUITY AND LIABILITIES	**6**
Net assets	**11**
Consideration received	
in cash	67
as an equity interest in ODIN	10
Deconsolidation gain	**66**

In addition, the sale of Greenplan GmbH, Germany, a provider of route-planning solutions, resulted in income of €3 million, whilst the sale of Véron Grauer AG, a provider of shipment services, generated income of €5 million. These gains are reported under other operating income. The sale of the two African companies led to a loss of less than €1 million reported under other operating expenses.

3 Significant transactions

Share buy-back of up to €2 billion

In February 2022, the Board of Management of Deutsche Post AG resolved a share buy-back programme for up to 50 million shares at a total purchase price of up to €2 billion. The repurchased shares will either be retired, used to service long-term executive remuneration plans and any future employee participation programmes or used to meet potential obligations if rights accruing under the 2017/2025 convertible bond are exercised. The repurchase via the stock exchange started on 8 April 2022 and will end no later than in December 2024. The buy-back programme is based on the authorisation resolved by the company's Annual General Meeting on 6 May 2021, notes 14 and 15.

Income statement disclosures

4 Revenue by business unit

€m	H1 2021	H1 2022
Express	**11,204**	**13,084**
Global Forwarding, Freight	**9,358**	**14,814**
Global Forwarding	7,473	12,699
Freight	1,885	2,115
Supply Chain	**6,501**	**7,849**
eCommerce Solutions	**2,824**	**2,888**
Post & Parcel Germany	**8,424**	**7,972**
Post Germany	3,851	3,947
Parcel Germany	3,491	3,040
International	1,007	920
Other	75	65
Group Functions	**22**	**15**
Total revenue	**38,333**	**46,622**

5 Other operating income

The increase in income from currency translation results from the volatility on the currency markets. This income is offset by corresponding expenses.

Income from the disposal of assets includes, amongst other items, a gain on the disposal of the StreetScooter business.

Miscellaneous other operating income includes a large number of smaller individual items.

€m	H1 2021	H1 2022
Income from currency translation	156	300
Insurance income	142	169
Income from the remeasurement of liabilities	74	160
Income from the disposal of assets	21	99
Operating lease income	58	72
Income from fees and reimbursements	52	61
Income from the reversal of provisions	72	54
Sublease income	36	42
Subsidies	55	37
Income from the derecognition of liabilities	9	24
Income from prior-period billings	42	23
Income from loss compensation	13	20
Recoveries on receivables previously written off	10	9
Income from derivatives	2	3
Reversals of impairment losses on receivables and other assets	10	0
Miscellaneous	190	260
Total	**942**	**1.333**

6 Changes in inventories and work performed and capitalised

€m	H1 2021	H1 2022
Changes in inventories income (+)/expense (–)	67	30
Work performed and capitalised	121	150
Total	**188**	**180**

The changes in inventories relate primarily to property development projects. The increase in work performed and capitalised is attributable to internally generated software.

7 Depreciation, amortisation and impairment losses

€m	H1 2021	H1 2022
Amortisation of and impairment losses on intangible assets, of which impairment loss: 0 (previous year: 0)	95	96
Depreciation of and impairment losses on property, plant and equipment acquired, of which impairment losses: 18 (previous year: 0)	786	872
Depreciation of and impairment losses on right-of-use assets, of which impairment losses: 17 (previous year: 0)	1,002	1,050
Impairment of goodwill	0	0
Depreciation, amortisation and impairment losses	**1,883**	**2,018**

Of the impairment losses totalling €35 million, an amount of €31 million refers to Russian companies. In the first half of 2022, the Board of Management resolved to dispose of the Russian operations. Prior to reclassification as assets held for sale and liabilities associated with assets held for sale, impairment losses in the amount of €31 million were required to be recognised for the Russian assets, note 13.

Impairment losses

€m	H1 2021	H1 2022
Express		
Acquired property, plant and equipment	0	12
Right-of-use assets	0	12
Global Forwarding, Freight		
Acquired property, plant and equipment	0	2
Right-of-use assets	0	5
Supply Chain		
Acquired property, plant and equipment	0	4
Impairment losses	**0**	**35**

8 Other operating expenses

€m	H1 2021	H1 2022
Cost of purchased cleaning and security services	273	312
Currency translation expenses	144	280
Warranty expenses, refunds and compensation payments	226	244
Other business taxes	138	193
Travel and training costs	96	152
Expenses for advertising and public relations	151	148
Insurance costs	100	133
Telecommunication costs	107	115
Customs clearance-related charges	91	108
Office and retail outlet expenses	101	107
Write-downs of current assets	75	95
Entertainment and corporate hospitality expenses	38	78
Consulting costs (including tax advice)	55	67
Monetary transaction costs	50	56
Services provided by the *Bundesanstalt für Post und Telekommunikation* (German federal post and telecommunications agency)	83	51
Commissions paid	35	47
Voluntary social benefits	36	44
Legal costs	31	43
Contributions and fees	37	41
Losses on disposal of assets	37	37
Audit costs	14	16
Donations	12	14
Miscellaneous	223	184
Total	**2,153**	**2,565**

The increase in expenses from currency translation results from the volatility on the currency markets. These expenses are offset by corresponding income.

Miscellaneous other operating expenses include a large number of smaller individual items.

9 Net income from investments accounted for using the equity method

The net income of €44 million generated in the previous year was attributable primarily to Global-E Online Ltd., Israel. The dilution of shares due to this company's initial public offering led to income from remeasurement totalling €39 million.

10 Earnings per share

Basic earnings per share in the reporting period were €2.30 (previous year: €2.01).

Basic earnings per share

		H1 2021	H1 2022
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	2,482	2,812
Weighted average number of shares outstanding	number	1,237,575,838	1,222,497,962
Basic earnings per share	**€**	**2.01**	**2.30**

Diluted earnings per share in the reporting period were €2.25 (previous year: €1.96).

Diluted earnings per share

		H1 2021	H1 2022
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	2,482	2,812
Plus interest expense on the convertible bond	€m	4	4
Less income taxes[1]	€m	0	0
Adjusted consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	2,486	2,816
Weighted average number of shares outstanding	number	1,237,575,838	1,222,497,962
Potentially dilutive shares	number	32,314,787	26,371,233
Weighted average number of shares for diluted earnings	number	1,269,890,625	1,248,869,195
Diluted earnings per share	**€**	**1.96**	**2.25**

[1] Rounded below €1 million.

Balance sheet disclosures

11 Intangible assets and property, plant and equipment

Investments in intangible assets (not including goodwill), property, plant and equipment acquired and right-of-use assets amounted to €2,885 million in the first half of 2022 (previous year: €2,750 million).

Investments

€m

	30 June 2021	30 June 2022
Intangible assets (not including goodwill)	**106**	**121**
Acquired property, plant and equipment		
Land and buildings	76	117
Technical equipment and machinery	66	68
Transport equipment	193	101
Aircraft	47	47
IT equipment	22	26
Operating and office equipment	21	29
Advance payments and assets under development	846	853
	1,271	**1,241**
Right-of-use assets		
Land and buildings	1,033	943
Technical equipment and machinery	17	18
Transport equipment	112	166
Aircraft	138	388
Advance payments	73	8
	1,373	**1,523**
Total	**2,750**	**2,885**

Goodwill changed as follows:

Change in goodwill

€m

	2021	2022
Cost		
Balance at 1 January	12,040	12,418
Additions from business combinations	0	1,604
Disposals	–14	–9
Currency translation differences	392	205
Balance at 31 December/30 June	**12,418**	**14,218**
Amortisation and impairment losses		
Balance at 1 January	1,042	1,065
Disposals	–13	–5
Impairment losses	0	0
Currency translation differences	36	18
Balance at 31 December/30 June	**1,065**	**1,078**
Carrying amount at 31 December/30 June	**11,353**	**13,140**

Additions to goodwill mainly refer to the acquisition of Hillebrand. Disposals concern the companies Greenplan and Véron Grauer.

12 Financial assets

The decline in assets measured at cost concerns the short-term deposits that expired as scheduled in May 2022. Likewise, assets measured at fair value decreased, largely on account of the sale of money market fund shares. Net impairment losses amounted to €64 million in the first half of 2022 (previous year: €49 million).

€m

	Non-current		Current		Total	
	31 Dec. 2021	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021	30 June 2022
Assets measured at cost	834	764	1,257	331	**2,091**	**1,095**
Assets at fair value through other comprehensive income	46	57	0	0	**46**	**57**
Assets at fair value through profit or loss	310	324	1,831	140	**2,141**	**464**
Financial assets	**1,190**	**1,145**	**3,088**	**471**	**4,278**	**1,616**

13 Assets held for sale and liabilities associated with assets held for sale

After having previously discontinued the delivery of mail and parcels to Russia, the Group decided to sell its seven Russian companies as a consequence of the ongoing war.

Two of these companies are assigned to the Express segment and five to the Forwarding, Freight segment. Prior to reclassification as assets held for sale and liabilities associated with assets held for sale, an impairment loss of €31 million was recognised on the assets.

€m

	Assets		Liabilities	
	31 Dec. 2021	30 June 2022	31 Dec. 2021	30 June 2022
Sale of seven Russian companies – Express and Global Forwarding, Freight segments	0	109	0	83
Sale of the production rights of StreetScooter and subsidiaries – Group Functions segment	18	0	4	0
Sale of Greenplan GmbH, Germany – Group Functions segment	2	0	1	0
Other	1	1	0	0
Assets held for sale and liabilities associated with assets held for sale	**21**	**110**	**5**	**83**

Russian companies

€m

	30 June 2022
Non-current assets	0
Current assets	60
Cash and cash equivalents	49
ASSETS	**109**
Non-current provisions and liabilities	16
Current provisions and liabilities	67
EQUITY AND LIABILITIES	**83**

The planned sales of StreetScooter and Greenplan, as reported as at 31 December 2021, were closed in the first quarter of 2022, note 2.

14 Issued capital and purchase of treasury shares

KfW Bankengruppe (KfW) held a 20.5% interest in the share capital of Deutsche Post AG as at 30 June 2022. Free float accounts for 77.8% of the shares and the remaining 1.7% of shares are owned by Deutsche Post AG.

The issued capital is composed of 1,239,059,409 no-par value registered shares (ordinary shares) with a notional interest in the share capital of €1 per share, and is fully paid up.

Changes in issued capital and treasury shares

€m

	2021	2022
Issued capital		
Balance at 1 January	1,239	1,239
Addition due to contingent capital increase	0	0
Balance at 31 December/30 June	**1,239**	**1,239**
Treasury shares		
Balance at 1 January	0	–15
Purchase of treasury shares	–20	–9
Issue/sale of treasury shares	5	3
Balance at 31 December/30 June	**–15**	**–21**
Total at 31 December/30 June	**1,224**	**1,218**

The first tranche of the share buy-back programme with a total volume of up to €500 million was launched on 8 April 2022. Repurchases are being made by an independent financial services provider until 7 November 2022 on the basis of an irrevocable agreement. As at 29 June 2022, the total volume of the first tranche was increased by €300 million to €800 million, with the end of term remaining unchanged at 7 November 2022. By 30 June 2022, 7,091,809 shares had been repurchased under the share buy-back programme for a total amount of €259 million at an average price of €36.52 per share. The repurchased shares may be used for the purposes set out in note 3.

In the first half of 2022, treasury shares were also acquired and issued to executives to settle the 2021 tranche and claims to matching shares under the 2017 tranche. The shares were acquired at an average price per share of €44.46 for a total of €73 million.

Deutsche Post AG held 21,132,002 treasury shares as at 30 June 2022.

15 Reserves

Capital reserves

€m

	2021	2022
Balance at 1 January	3,519	3,533
Share Matching Scheme	5	–25
Performance Share Plan	–3	13
Employee Share Plan	3	1
Differences between purchase and issue prices of treasury shares	9	0
Balance at 31 December/30 June	**3,533**	**3,522**

Retained earnings

Retained earnings mainly include changes due to capital increases or reductions:

Capital increase/decrease

€m

	31 Dec. 2021	30 June 2022
Obligation to repurchase shares in 2022 under tranche I	0	–541
Share buy-back in 2022 under tranche I	0	–252
Share buy-back in 2021	–982	0
Performance Share Plan	26	0
Differences between purchase and issue prices of treasury shares	–9	0
Employee Share Plan	0	7
Share Matching Scheme	–19	42
Other	3	–2
Total	**–981**	**–746**

The first tranche of the share buy-back programme, with a total volume of up to €800 million (adjusted), began on 8 April 2022 and is being implemented by an independent financial services provider until 7 November 2022 on the basis of an irrevocable agreement. At the time the agreement was concluded, the resulting obligation was charged in full to retained earnings and recognised as a financial liability. It was reduced by the buy-back transactions carried out by 30 June 2022. The obligation to repurchase shares after 30 June 2022 is included in the amount of €541 million.

Segment reporting

16 Segment reporting

Segments by division

€m

	Express		Global Forwarding, Freight		Supply Chain		eCommerce Solutions		Post & Parcel Germany		Group Functions		Consolidation[1]		Group	
H1	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
External revenue	11,204	13,084	9,358	14,814	6,501	7,849	2,824	2,888	8,424	7,972	22	15	0	0	**38,333**	**46,622**
Internal revenue	247	282	629	701	55	35	64	69	295	236	872	889	–2,162	–2,212	**0**	**0**
Total revenue	11,451	13,366	9,987	15,515	6,556	7,884	2,888	2,957	8,719	8,208	894	904	–2,162	–2,212	**38,333**	**46,622**
Profit from operating activities (EBIT)	2,138	2,072	528	1,347	365	449	233	211	871	597	–139	–179	–2	–1	**3,994**	**4,496**
of which net income from investments accounted for using the equity method	0	2	0	0	1	3	0	0	0	0	42	–14	1	0	**44**	**–9**
Segment assets[2]	18,806	19,815	11,536	14,801	8,386	9,468	2,212	2,283	6,902	7,141	5,645	5,710	–72	–78	**53,415**	**59,140**
of which investments accounted for using the equity method	6	8	20	22	15	17	0	0	0	0	71	68	–1	0	**111**	**115**
Segment liabilities[2]	5,233	5,243	5,012	5,912	3,505	3,562	876	797	2,631	2,739	1,718	1,732	–53	–60	**18,922**	**19,925**
Net segment assets/liabilities[2]	13,573	14,572	6,524	8,889	4,881	5,906	1,336	1,486	4,271	4,402	3,927	3,978	–19	–18	**34,493**	**39,215**
Capex (assets acquired)	626	375	50	64	203	214	61	125	266	434	171	150	0	0	**1,377**	**1,362**
Capex (right-of-use assets)	488	740	86	125	311	379	61	63	6	10	421	206	0	0	**1,373**	**1,523**
Total capex	1,114	1,115	136	189	514	593	122	188	272	444	592	356	0	0	**2,750**	**2,885**
Depreciation and amortisation	736	812	119	133	416	404	84	97	164	167	364	370	0	0	**1,883**	**1,983**
Impairment losses	0	24	0	7	0	4	0	0	0	0	0	0	0	0	**0**	**35**
Total depreciation, amortisation and impairment losses	736	836	119	140	416	408	84	97	164	167	364	370	0	0	**1,883**	**2,018**
Other non-cash income (–) and expenses (+)	253	195	83	64	80	163	1	11	140	140	–17	112	0	1	**540**	**686**
Employees[3]	106,120	113,674	41,677	45,713	165,596	176,503	31,469	31,393	163,075	158,203	12,419	13,236	0	1	**520,356**	**538,723**

[1] Including rounding. [2] As at 31 December 2021 and 30 June 2022. [3] Average FTEs.

Segments by division

€m

	Express		Global Forwarding, Freight		Supply Chain		eCommerce Solutions		Post & Parcel Germany		Group Functions		Consolidation[1]		Group	
Q2	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
External revenue	5,824	6,848	4,928	7,798	3,287	4,053	1,403	1,477	4,022	3,847	9	7	0	–1	**19,473**	**24,029**
Internal revenue	128	145	307	358	28	16	31	35	142	116	450	456	–1,086	–1,126	**0**	**0**
Total revenue	5,952	6,993	5,235	8,156	3,315	4,069	1,434	1,512	4,164	3,963	459	463	–1,086	–1,127	**19,473**	**24,029**
Profit from operating activities (EBIT)	1,177	1,101	312	746	198	244	116	109	315	242	–34	–104	–1	–1	**2,083**	**2,337**
of which net income from investments accounted for using the equity method	0	1	0	0	1	2	0	0	0	0	42	–10	1	0	**44**	**–7**
Capex (assets acquired)	338	227	29	33	117	102	42	73	147	261	120	102	1	0	**794**	**798**
Capex (right-of-use assets)	279	283	32	59	153	197	40	16	0	3	340	125	–1	0	**843**	**683**
Total capex	617	510	61	92	270	299	82	89	147	264	460	227	0	0	**1,637**	**1,481**
Depreciation and amortisation	373	413	59	70	210	205	42	50	83	83	185	187	1	0	**953**	**1,008**
Impairment losses	0	0	0	1	0	0	0	0	0	0	0	0	0	0	**0**	**1**
Total depreciation, amortisation and impairment losses	373	413	59	71	210	205	42	50	83	83	185	187	1	0	**953**	**1,009**
Other non-cash income (–) and expenses (+)	115	60	45	19	35	69	4	5	61	65	–46	67	–1	0	**213**	**285**

[1] Including rounding.

Information about geographical regions

€m

	Germany		Europe (excluding Germany)		Americas		Asia Pacific		Middle East/Africa		Group	
H1	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
External revenue	10,627	10,722	11,133	13,730	7,801	11,023	7,254	9,093	1,518	2,054	**38,333**	**46,622**
Non-current assets[1]	11,043	11,263	11,308	13,036	8,943	9,971	5,213	5,461	686	725	**37,193**	**40,456**
Capex	966	892	656	850	786	700	274	353	68	90	**2,750**	**2,885**
Q2												
External revenue	5,155	5,252	5,741	7,074	4,011	5,826	3,781	4,805	785	1,072	**19,473**	**24,029**
Total capex	671	551	341	418	446	311	144	160	35	41	**1,637**	**1,481**

[1] As at 31 December 2021 and 30 June 2022.

Reconciliation

€m

	H1 2021	H1 2022
Total income of reported segments	4,135	4,676
Group Functions	–139	–179
Reconciliation to Group/Consolidation	–2	–1
Profit from operating activities (EBIT)	**3,994**	**4,496**
Net finance costs	–319	–269
Profit before income taxes	**3,675**	**4,227**
Income taxes	–1,029	–1,226
Consolidated net profit for the period	**2,646**	**3,001**

17 Disclosures on financial instruments

Financial assets and liabilities

€m

Class	Carrying amount	Fair value	Level 1[1]	Level 2[2]	Level 3[3]
30 June 2022					
Non-current financial assets	**1,145**	**1,145**	**324**	**331**	**32**
Assets measured at amortised cost[4]	764	764		306	
Financial assets measured at fair value	381	381	324	25	32
Current financial assets	**471**	**140**	**34**	**106**	
Assets measured at amortised cost[5]	331	n.a.	n.a.	n.a.	n.a.
Financial assets measured at fair value	140	140	34	106	
Non-current financial liabilities	**17,339**	**6,526**	**6,524**	**2**	
Liabilities measured at amortised cost[4]	17,337	6,524	6,524		
Financial liabilities measured at fair value	2	2		2	
Current financial liabilities	**3,622**	**44**		**44**	
Liabilities measured at amortised cost[5]	3,578	n.a.	n.a.	n.a.	n.a.
Financial liabilities measured at fair value	44	44		44	
31 December 2021					
Non-current financial assets	**1,190**	**1,202**	**356**	**436**	
Assets measured at amortised cost[4]	834	846		436	
Financial assets measured at fair value	356	356	356		
Current financial assets	**3,088**	**1,831**	**1,762**	**69**	
Assets measured at amortised cost[5]	1,257	n.a.	n.a.	n.a.	n.a.
Financial assets measured at fair value	1,831	1,831	1,762	69	
Non-current financial liabilities	**16,614**	**7,314**	**6,689**	**624**	
Liabilities measured at amortised cost[4]	16,613	7,313	6,689	623	
Financial liabilities measured at fair value	1	1		1	
Current financial liabilities	**3,283**	**12**		**12**	
Liabilities measured at amortised cost[5]	3,271	n.a.	n.a.	n.a.	n.a.
Financial liabilities measured at fair value	12	12		12	

[1] Quoted market prices. [2] Inputs other than quoted prices that are directly or indirectly observable for instruments. [3] Inputs not based upon observable market data. [4] Carrying amount also includes lease receivables of €458 million (31 December 2021: €410 million) and lease liabilities of €10,554 million (31 December 2021: €9,841 million) under IFRS 16. The fair values of the lease liabilities are not listed because they do not fall within the scope of IFRS 9. [5] No disclosure of market value is required because the carrying amount of the financial instrument is a reasonable approximation of fair value (IFRS 7.29a).

The table above presents selected financial assets and liabilities measured at fair value or amortised cost. Financial assets and liabilities measured at amortised cost are reported if the carrying amount of an asset or liability differs from its fair value. As permitted under IFRS 7.29a, the disclosures do not include trade receivables, cash and cash equivalents or other current assets and liabilities because their carrying amounts are a reasonable approximation of their fair values. Other non-current assets and liabilities have also been omitted from the presentation as their fair values do not differ from their carrying amounts.

Fair values are assigned to Levels 1 to 3 of the fair value hierarchy.

Level 1 comprises equity and debt instruments measured at fair value and debt instruments measured at amortised cost whose fair values can be determined based on quoted market prices.

The fair values of the financial assets measured at amortised cost and commodity, interest rate and currency derivatives assigned to Level 2 are determined using the multiplied method or upon the basis of discounted expected future cash flows, taking into account forward rates for currencies, interest rates and commodities (market approach). For this purpose, price quotations observable in the market (exchange rates, interest rates and commodity prices) are imported into the treasury management system from standard market information platforms. The price quotations reflect actual transactions involving similar instruments on an active market.

Level 3 comprises mainly the fair values of equity investments and derivatives associated with M&A transactions. They are measured using recognised valuation models and plausible assumptions. The fair values of derivatives as well as of assets and liabilities depend, to a large extent, upon financial ratios. Increasing financial ratios lead to higher fair values, whilst decreasing financial ratios result in lower fair values.

18 Contingent liabilities and other financial obligations

Contingent liabilities declined by €47 million in comparison with 31 December 2021, to €776 million. This decline is attributable mainly to the obligation for potential settlement payments in the United States which was previously reported under contingent liabilities, 2021 Annual Report in note 44 to the consolidated financial statements. The assessment of this obligation has changed. Accordingly, it is no longer included as a contingent liability. There were no other significant changes in this regard as compared to 31 December 2021.

19 Related-party disclosures

Effective as of 1 July 2022, Nikola Hagleitner assumed responsibility on the Board of Management for Post & Parcel Germany from Dr Tobias Meyer, who is now responsible for Global Business Services. Ken Allen, who had held responsibility for eCommerce Solutions, resigned from the Board of Management with effect from the end of 31 July 2022. Pablo Ciano has been the new Board of Management member responsible for eCommerce Solutions since 1 August 2022. John Pearson will be responsible for Customer Solutions & Innovation (CSI) from August. There were no other significant changes in related-party disclosures as compared to 31 December 2021.

20 Events after the reporting date/other disclosures

There were no reportable events after the balance sheet date.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Bonn, 4 August 2022

Deutsche Post AG
The Board of Management

Dr Frank Appel	Oscar de Bok
Pablo Ciano	Nikola Hagleitner
Melanie Kreis	Dr Tobias Meyer
Dr Thomas Ogilvie	John Pearson
Tim Scharwath	

REVIEW REPORT

To Deutsche Post AG, Bonn

We have reviewed the condensed consolidated interim financial statements – comprising income statement and statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and selected explanatory notes – and the interim group management report of Deutsche Post AG, Bonn, for the period from 1 January to 30 June 2022 which are part of the half-year financial report pursuant to § (Article) 115 WpHG (“*Wertpapierhandelsgesetz*”: German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the *Institut der Wirtschaftsprüfer* (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, 4 August 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dietmar Prümm	Thomas Schicke
Wirtschaftsprüfer	*Wirtschaftsprüfer*
(German Public Auditor)	(German Public Auditor)

FINANCIAL CALENDAR

2022

8 November	**Results of the first nine months of 2022**

2023

9 March	**Results of financial year 2022**
3 May	**Results of the first quarter of 2023**
4 May	**2023 Annual General Meeting**
9 May	**Dividend payment**
1 August	**Results of the first half of 2023**
7 November	**Results of the first nine months of 2023**

Revised dates and information regarding live webcasts can be found on our **Reporting hub.**

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The English version of the 2022 Half-year Report of Deutsche Post DHL Group constitutes a translation of the original German version. Only the German version is legally binding, insofar as this does not conflict with legal provisions in other countries.
Deutsche Post Corporate Language Services et al.

Forward-looking statements
This interim report contains forward-looking statements which are not historical facts. They also include statements concerning assumptions and expectations which are based upon current plans, estimates and projections, and the information available to Deutsche Post AG at the time this report was completed. They should not be considered to be assurances of future performance and results contained therein. Instead, they depend on a number of factors and are subject to various risks and uncertainties (particularly those described in the “Expected developments, opportunities and risks” section) and are based on assumptions that may prove to be inaccurate. It is possible that actual performance and results may differ from the forward-looking statements made in this report. Deutsche Post AG undertakes no obligation to update the forward-looking statements contained in this report except as required by applicable law. If Deutsche Post AG updates one or more forward-looking statements, no assumption can be made that the statement(s) in question or other forward-looking statements will be updated regularly.