

Deutsche Post DHL Group closes 2021 with record earnings

- Profitable growth course continued in all divisions: Group revenue rises to EUR 81.7 billion in financial year 2021
- Operating profit reached EUR 8.0 billion, improving by 65 percent
- Free cash flow almost doubled to EUR 4.1 billion
- Increase in dividend to EUR 1.80 per share proposed; new share buyback program amounting up to EUR 2 billion initiated
- CEO Frank Appel: “In a challenging year, we achieved the best performance in the company's history.”

Bonn, March 9, 2022: Deutsche Post DHL Group, the world's leading logistics company, delivered profitable growth during the past financial year. Group revenue was up 22.5 percent year on year to EUR 81.7 billion. That is the highest revenue figure in the Group's history. All five business units contributed to record business performance. Demand for the Group's logistics solutions reached a new all-time high last year, driven by the significant increase in global trade and continued strong e-commerce with further growth in shipment volumes. That in turn enabled the more efficient utilization of network capacities. The rapid pace of development led to record earnings of EUR 8.0 billion (2020: EUR 4.8 billion) and an EBIT margin of 9.8 percent (2020: 7.3 percent). The Group was thus more profitable than ever before.

"We have demonstrated our full strength in demanding times and achieved a new revenue and earnings record. Never before has Deutsche Post DHL Group transported so much freight, express shipments and parcels worldwide. We also make an important contribution to society through vaccine logistics. A big thank you goes to our employees for their extraordinary commitment in a challenging year", said Frank Appel, CEO of Deutsche Post DHL Group.

Guidance for 2022: profitable growth course expected to continue

For financial year 2022, the Group expects EBIT of 8.0 billion (+ / – 5 percent). The guidance is based on the assumption that e-commerce will maintain its strength and continue its structural growth after a phase of normalization. Following the dynamic recovery in global trade over the course of 2021, growth in global logistics activities will likely continue, although at a slower pace. Intercontinental transport capacity is expected to ease earliest in the second half of 2022.

“Our guidance does not include the impact of the conflict in Eastern Europe on global GDP growth and the world's transportation markets, which is currently difficult to assess. Our priority now is to help the people in the war zone, to ensure the safety of all our employees and to keep global supply chains operating”, said Frank Appel.

High investments in digitization and sustainability

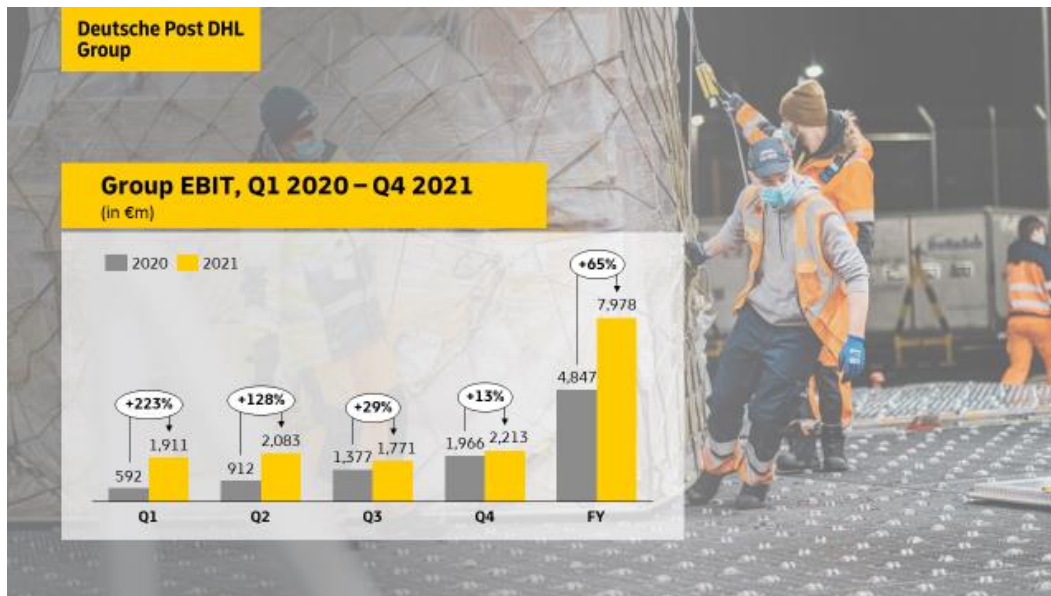
The Group invested a record sum of EUR 3.9 billion (2020: EUR 3.0 billion) in its business, digitalization and sustainability in 2021. Most of this gross capex went into modernizing the Express division's aircraft fleet and expanding the domestic and international parcel infrastructure to ensure the efficient handling of significantly higher transport demand. Deutsche Post DHL Group made good progress in cash generation again in 2021. Free cash flow improved significantly to EUR 4.1 billion (2020: EUR 2.5 billion) despite higher gross capex.

Without taking into account acquisitions, like the planned take-over of Hillebrand, the company expects free cash flow of EUR 3.6 billion (+ / – 5 percent) and gross capital expenditure of around EUR 4.2 billion for 2022. These investments will continue to focus on the expansion of transport and sorting capacities for the further increase in shipment volumes as well as the further implementation of the digital transformation.

Medium-term targets published: further EBIT growth forecast through 2024

With the presentation of the Annual Report, the Group communicated its mid-term financial targets through 2024. EBIT is expected to increase to around EUR 8.5 billion in 2024. Without taking into account acquisitions, like the planned take-over of Hillebrand, the Group expects to generate cumulative free cash flow of around EUR 11 billion in the period between 2022 and 2024. Over the same period, the company anticipates cumulative gross capital expenditure (capex) of around EUR 12 billion.

“I am very pleased that we were able to close the third consecutive financial year with record results. We have fundamentally improved the Group's financial strength with a massive leap in growth across all financial dimensions. This strengthens our ability to pay dividends and creates opportunities for the use of excess free cash flow”, said CFO Melanie Kreis.



The record performance is also reflected in significantly higher net profit. Consolidated net profit after deduction of non-controlling interests increased notably to EUR 5.1 billion (2020: EUR 3.0 billion). Basic earnings per share thus amounted to EUR 4.10 (2020: EUR 2.41).

Dividend proposal significantly increased; renewed share buyback decided

Against the background of the positive earnings development, the Board of Management and Supervisory Board will propose to the Annual General Meeting on May 6, 2022, an increase of the dividend from EUR 1.35 per share in the previous year to EUR 1.80 per share this year. If approved by the shareholders, the total payout would be EUR 2.2 billion, reflecting an adjusted payout ratio of 43 percent based on the dividend proposal.

In view of the positive business development, the Board of Management and Supervisory Board have again decided to implement a share buyback program with a volume of up to EUR 2 billion.

Sustainability roadmap operationalized, further increase in employee satisfaction

Last year, Deutsche Post DHL Group defined its sustainability roadmap and set measurable non-financial targets for fiscal year 2022 that will be taken into account in calculating the future compensation of the Board of Management:

- **Environment:** In line with its accelerated decarbonization roadmap and the Paris Climate Agreement, the Group is targeting an absolute reduction in its greenhouse gas emissions to below

29 million metric tons by 2030. On this way, concrete measures to save around 1 million metric tons of CO₂e are targeted to be implemented in 2022.

- **Social:** The Group is convinced that a high level of employee satisfaction is essential for the company's business success. Accordingly, the development of "employee engagement" continues to be taken into account for the compensation of the Board of Management and is targeted to stay above 80 percent.
- **Governance:** The Group has established the goal of complying with the highest governance standards worldwide. Progress is measured by the share of valid compliance-relevant training certificates in middle and upper management. The KPI is targeted to be at least 95 percent in 2022.

In 2021, the Group invested EUR 156 million in decarbonization measures totaling, strengthened its position as one of the world's best employers, and increased employee engagement to 84 percent as well as the share of women in middle and upper management to 25.1 percent. Please see the [Annual Report](#) for further information on progress and measures in the areas of environment, social and governance.

Significant revenue and earnings growth in all divisions

Express: The Express division saw an extremely positive revenue and earnings trend in 2021. EBIT increased by 53.4 percent to EUR 4.2 billion. At EUR 24.2 billion (2020: EUR 19.1 billion), revenue was significantly higher than in the previous year. This performance was driven by growth in time-definite international express (TDI) shipments of 10.3 percent and an increase in average weight per shipment. Network capacity utilization remained consistently high throughout the year, further improving the efficiency of shipment handling in the global network. Once more this led to an increase in profitability. Express posted a record EBIT margin of 17.4 percent (2020: 14.4 percent).

Global Forwarding, Freight (GFF): The division was extremely successful in overcoming the persistently challenging conditions in the international transport markets. EBIT more than doubled to EUR 1.3 billion (2020: EUR 0.6 billion), while revenue increased sharply to EUR 22.8 billion (2020: EUR 15.8 billion). Transport capacities remained sharply reduced, while demand was significantly higher in 2021, driven by the recovery of global trade. This led to a corresponding price and margin trend fueled by the competition for available transport capacity. Thanks to its international network and leading market position in air and ocean freight, GFF was able to provide its customers with the access they required. Air and ocean freight volumes increased by 25.7 percent and 8.7 percent, respectively. Road freight shipment volumes also grew by 7.8 percent. The division's EBIT margin improved to 5.7 percent (2020: 3.7 percent).

Supply Chain: Reliable supply chains were in very high demand in 2021. The division posted a significant jump in earnings to EUR 705 million (2020: EUR 424 million) based on an increase in revenue to EUR 13.9 billion (2020: EUR 12.5 billion) and continued efficiency improvements. The division successfully scaled its standardized business model thanks to significant new business. Supply Chain strengthened its position in e-commerce through the continued development of special e-fulfillment sites dedicated to solutions in the area of online order processing. The EBIT margin increased to 5.1 percent (2020: 3.4 percent) thanks to targeted digitization and automation projects as well as successful cost management.

eCommerce Solutions: The division more than doubled its earnings in 2021 under the excellent leadership of Ken Allen. EBIT came in at EUR 417 million (2020: EUR 158 million), driven by the rapid pace of growth for shipment volumes in e-commerce. Almost all regions posted double-digit growth rates, with particularly strong volume development in the Netherlands and India. Shipment volumes in cross-border transport in Europe also increased, by 21.6 percent. The unabated strong growth in the international parcel businesses made it possible to utilize its networks more efficiently. After achieving a positive EBIT margin for the first time in the previous year, the division recorded a remarkable 7.0 percent margin in 2021 (2020: 3.3 percent). With Ken Allen retiring on July 31st, Pablo Ciano will take over as CEO DHL eCommerce Solutions on August 1, 2022 and will become a member of the Management Board.

Post & Parcel Germany: The division successfully increased earnings and revenue, with EBIT up significantly to EUR 1.75 billion (2020: EUR 1.6 billion). Post & Parcel Germany transported a record volume of more than 1.8 billion parcels in 2021 (2020: 1.6 billion parcels). As a result, revenue developed positively, increasing to EUR 17.4 billion (2020: EUR 16.5 billion), with volumes at Post Germany remaining virtually unchanged at 14.2 billion letters. At 10.0 percent (2020: 9.7 percent), the EBIT margin was on a comparable level to the prior-year.

– End –

Note to editors: An interview with CEO Frank Appel can be found at www.dpdhl.com. The Group's annual press conference starts at 09:00 a.m. The event for investors will be streamed on our website starting at 11:00 a.m. The Annual Report 2021 can be accessed at www.dpdhl.com/ir.

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Deutsche Post DHL Group is the world's leading logistics company. The Group connects people and markets and is an enabler of global trade. It aspires to be the first choice for customers, employees and investors worldwide. The Group contributes to the world through responsible business practice, corporate citizenship and environmental activities. By the year 2050, Deutsche Post DHL Group aims to achieve zero emissions logistics.

Deutsche Post DHL Group is home to two strong brands: Deutsche Post is Europe's leading postal service. DHL offers a comprehensive range of international express, freight transport, and supply chain management services as well as e-commerce logistics solutions. Deutsche Post DHL Group employs approximately 590,000 people in over 220 countries and territories worldwide. The Group generated revenues of more than EUR 81 billion in 2021.

THE logistics company for the world.

Group financial highlights in full year

in €m	FY 2020	FY 2021	Change in %
Revenue ¹⁾	66,716	81,747	22.5
– of which international ¹⁾	46,902	60,193	28.3
Profit/loss from operating activities (EBIT)	4,847	7,978	64.6
Consolidated net profit ²⁾	2,979	5,053	69.6
Basic earnings per share (in €)	2.41	4.10	70.1
Diluted earnings per share (in €)	2.36	4.01	69.9

Divisional revenue in full year

in €m	FY 2020	FY 2021	Change in %
Express	19,135	24,217	26.6
Global Forwarding, Freight ¹⁾	15,813	22,833	44.4
Supply Chain ¹⁾	12,549	13,864	10.5
eCommerce Solutions	4,829	5,928	22.8
Post & Parcel Germany ¹⁾	16,455	17,445	6.0
Group Functions/Consolidation ¹⁾	-2,065	-2,540	-23.0
Group	66,716	81,747	22.5

Divisional EBIT in full year

in €m	FY 2020	FY 2021	Change in %
DHL	3,925	6,644	69.3
– Express	2,751	4,220	53.4
– Global Forwarding, Freight ¹⁾	592	1,303	>100
– Supply Chain ¹⁾	424	705	66.3
– eCommerce Solutions	158	417	>100
Post & Parcel Germany ¹⁾	1,592	1,747	9.7
Group Functions/Consolidation ¹⁾	-670	-414	38.2
Group	4,847	7,978	64.6

¹⁾ Prior-year figure adjusted

²⁾ After non-controlling interests

Group financial highlights for the fourth quarter

in €m	4th quarter 2020	4th quarter 2021	Change in %
Revenue ¹⁾	19,093	23,378	22.4
– of which international ¹⁾	13,448	17,450	29.8
Profit/loss from operating activities (EBIT)	1,966	2,213	12.6
Consolidated net profit ²⁾	1,302	1,484	14.0
Basic earnings per share (in €)	1.05	1.21	15.2
Diluted earnings per share (in €)	1.03	1.18	14.6

Divisional revenue in the fourth quarter

in €m	4th quarter 2020	4th quarter 2021	Change in %
Express	5,599	6,856	22.5
Global Forwarding, Freight ¹⁾	4,365	7,134	63.4
Supply Chain ¹⁾	3,501	3,655	4.4
eCommerce Solutions	1,455	1,664	14.4
Post & Parcel Germany ¹⁾	4,801	4,771	-0.6
Group Functions/Consolidation ¹⁾	-628	-702	-11.8
Group	19,093	23,378	22.4

Divisional EBIT in the fourth quarter

in €m	4th quarter 2020	4th quarter 2021	Change in %
DHL	1,462	1,805	23.5
– Express	1,040	1,111	6.8
– Global Forwarding, Freight ¹⁾	173	403	>100
– Supply Chain ¹⁾	174	198	13.8
– eCommerce Solutions	75	93	24.0
Post & Parcel Germany ¹⁾	674	576	-14.5
Group Functions/Consolidation ¹⁾	-170	-168	1.2
Group	1,966	2,213	12.6

¹⁾ Prior-year figure adjusted

²⁾ After non-controlling interests