



## Resilient business model: DHL Group achieves annual targets for 2023 in a weak global economic environment

- Group revenue of EUR 81.8 billion and EBIT of EUR 6.3 billion significantly above pre-pandemic levels
- Free cash flow of EUR 3.3 billion excluding acquisitions and divestments (net M&A) significantly exceeds forecast
- Board of Management and Supervisory Board propose a stable dividend of EUR 1.85 per share to the annual general meeting
- Share buyback program extended until 2025 and increased by EUR 1 billion to EUR 4 billion
- DHL Group expects operating profit of EUR 6.0-6.6 billion and free cash flow excluding net M&A of approximately EUR 3.0 billion in 2024
- For 2026, the Group expects operating profit of EUR 7.5-8.5 billion
- CEO Tobias Meyer: “We are continuing to invest in our logistics network – particularly in our e-commerce capabilities, but also in the decarbonization and digitalization of our operations. We are very well positioned for the current opportunities and challenges.”

**Bonn, March 6, 2024:** After a record year in 2022, DHL Group achieved a revenue of EUR 81.8 billion in the financial year of 2023 (2022: EUR 94.4 billion) and an operating result (EBIT) of EUR 6.3 billion (2022: EUR 8.4 billion). Even in the absence of a significant recovery in the global economy, DHL Group met its earnings forecast of at least EUR 6.2 billion. At EUR 3.3 billion (2022: EUR 4.6 billion), free cash flow excluding net M&A was significantly above the 2023 forecast of EUR 3 billion. With EBIT and free cash flow well above the figures for the pre-pandemic year 2019, the Group demonstrated its increased earning capacity even in a persistently soft market environment.

*“The year 2023 was characterized by a weak global economy and, above all, weak global trade. Even under these conditions, we achieved our targets for the year. Our high profitability allows us to continuously invest in our network, sustainability, digitalization and our e-commerce capabilities and to further improve quality for our customers. Major uncertainty factors such as volatility in demand and geopolitical crises will remain with us in 2024. However, we are very well positioned for the opportunities and challenges of 2024.”*

Tobias Meyer, Chief Executive Officer DHL Group

Thanks to its comprehensive portfolio of logistics services, the Group was able to partially offset the weak economic conditions. Volumes in the DHL Express business declined for the second year in a row, albeit less pronounced than the market average. DHL Global Forwarding, Freight faced headwinds from lower freight volumes and the expected normalization of freight rates. DHL Supply Chain's business on the other hand has grown. DHL eCommerce and the German parcel business benefited from the intact structural trend in e-commerce. However, the results of the Post & Parcel Germany division reflect the detrimental regulatory environment for the German mail business.

The performance of DHL Group's global logistics portfolio is also reflected in the cash flow development: at EUR 2.9 billion, free cash flow of DHL Group was at a high level (2022: EUR 3.1 billion) despite lower EBIT. The robust development of free cash flow also confirms that the established protection measures to safeguard earnings and cash flow are taking effect. The Group is successfully implementing price adjustments in unregulated product segments and a disciplined program to further improve the cost structure.

In total, DHL Group generated consolidated net profit after non-controlling interests of EUR 3.7 billion in the financial year of 2023 (2022: EUR 5.4 billion). Basic earnings per share in the same period amounted to EUR 3.09, compared to EUR 4.41 in the previous year.



## Continuously high investments in global logistics network, sustainability, digitalization and e-commerce

In the financial year of 2023, gross investments (capex) amounted to EUR 3.4 billion (2022: EUR 4.1 billion). Despite the lack of global economic recovery, the Group continuously invested in the quality of its services. Investment priorities included strengthening the global network and e-commerce capabilities, as well as the advancement of DHL Group's low-emission logistics infrastructure and vehicle fleet. The Group achieved further improvements in operations and customer interfaces through

digitalization – including the use of artificial intelligence. DHL Supply Chain in particular expanded the use of robots in 2023: The division's employees are already supported by robots or automated processes in 15 percent of all picking operations.

## **Stable dividend; share buyback program extended and increased**

The Board of Management and Supervisory Board will propose a dividend of EUR 1.85 per share to shareholders at the Annual General Meeting on May 3, 2024 (2022: EUR 1.85 per share). Subject to approval by the shareholders, the Group would thus pay out a total of EUR 2.2 billion. Based on the dividend proposal, the payout ratio of 59 percent would be at the upper end of the target corridor of 40 to 60 percent.

The existing share buyback program (2022 to 2024) will be extended until 2025 and the volume increased by EUR 1 billion to EUR 4 billion. Shares with a total value of EUR 925 million were purchased in the reporting year.

*“The strategic investments of recent years have structurally improved our financial strength. We also benefit from this in phases of a soft economic environment. We were additionally able to optimize the price and cost structure in 2023. DHL Group is thus robustly positioned and stands for dividend continuity.”*

Melanie Kreis, CFO DHL Group

## **Sustainability: Decrease in GHG emissions compared to the previous year**

In addition to financial targets, DHL Group pursues clear, measurable environmental, social and responsible governance goals as part of its Strategy 2025. In line with the Science Based Targets initiative, logistics-related greenhouse gas emissions (GHG emissions) are to be reduced to less than 29 million tons of CO<sub>2</sub> equivalents (CO<sub>2</sub>e) by 2030 (Scopes 1, 2 & 3). In the reporting year, GHG emissions developed better than expected at 33.3 million tons of CO<sub>2</sub>e (target value 2023: no more than 39 million tons of CO<sub>2</sub>e, 2022: 36.6 million tons of CO<sub>2</sub>e). This development can be attributed to declining transport volumes and decarbonization measures such as the electrification of the vehicle fleet. In 2023, DHL Group had around 35,200 e-vehicles (2022: approximately 27,800) and over 25,000 e-bikes, e-trikes and cargo bikes in use for pick-up and delivery. In addition, further multi-year contracts were concluded for Sustainable Aviation Fuel (SAF).

Key non-financial indicators for the Group in the reporting period were achieved. As planned, DHL Group was able to save 1.3 million tons of CO<sub>2</sub>e through decarbonization measures. At 83 percent, employee satisfaction remains at a high level and the target value of over 80 percent for the financial

year of 2023 was exceeded. DHL Group also exceeded its target of 690 points in the external cyber security rating, achieving 750 from a current maximum of 820 achievable points.

Please see the [Annual Report](#) for further information on progress and measures in the areas of environment, social affairs and governance.

## **EBIT forecast above the pre-pandemic figures for 2019 despite a persistently weak global economy**

DHL Group still does not foresee a broad economic upturn in the first half of 2024 and even further declining volumes in some markets. The Group anticipates more positive global economic momentum in the second half of the year compared to the second half of 2023. For the financial year of 2024, DHL Group forecasts EBIT of between EUR 6.0 billion and EUR 6.6 billion and free cash flow excluding net M&A of approximately EUR 3.0 billion.

In its medium-term forecast for 2026, DHL Group anticipates an operating result of EUR 7.5-8.5 billion.

## **Express: Highly profitable despite weak global trade**

<b>Express</b>	<b>2022</b>	<b>2023</b>	<b>YOY<sup>(1)</sup></b>
Revenue <sup>(2)</sup>	27,592	24,846	-10.0 <sup>(3)</sup>
EBIT <sup>(2)</sup>	4,025	3,229	-19.8 <sup>(3)</sup>
EBIT margin <sup>(3)</sup>	14.6	13.0	-1.6 <sup>(4)</sup>

<sup>(1)</sup> year on year

<sup>(2)</sup> in EUR million

<sup>(3)</sup> in percent

<sup>(4)</sup> in percentage points

The high level of economic uncertainty and consumer restraint worldwide was reflected in lower B2B volumes compared to the previous years. As a result of the continuing weak market conditions, daily time-definite international (TDI) shipment volumes fell by 2.5 percent. Significant negative currency effects amounting to EUR 1.2 billion and lower fuel surcharges had a negative impact on the business of DHL Express. Excluding currency effects and fuel surcharges, revenues fell by 4.8 percent in the reporting year. The division countered the macroeconomic environment with continuous productivity improvements, optimized use of network capacity and effective cost management. Price adjustments were systematically implemented in the wake of persistent inflation.

**Global Forwarding, Freight: Normalization of freight rates in a weak market environment**

<b>Global Forwarding, Freight</b>	<b>2022</b>	<b>2023</b>	<b>YOY<sup>(1)</sup></b>
Revenue <sup>(2)</sup>	30,212	19,305	-36.1 <sup>(3)</sup>
EBIT <sup>(2)</sup>	2,311	1,423	-38.4 <sup>(3)</sup>
EBIT margin <sup>(3)</sup>	7.6	7.4	-0.2 <sup>(4)</sup>

<sup>(1)</sup> year on year

<sup>(2)</sup> in EUR million

<sup>(3)</sup> in percent

<sup>(4)</sup> in percentage points

Market volumes at DHL Global Forwarding, Freight were down compared to the previous year due to weak demand but stabilized over the course of the year. As expected, air and ocean freight rates continued to normalize. In the European road freight market, the cyclical decline in demand continued. Costs remained at a high level due partly to increased diesel and vehicle prices as well as staff costs.

**Supply Chain: Continuous growth**

<b>Supply Chain</b>	<b>2022</b>	<b>2023</b>	<b>YOY<sup>(1)</sup></b>
Revenue <sup>(2)</sup>	16,431	16,958	+3.2 <sup>(3)</sup>
EBIT <sup>(2)</sup>	893	961	+7.6 <sup>(3)</sup>
EBIT margin <sup>(3)</sup>	5.4	5.7	+0.3 <sup>(4)</sup>

<sup>(1)</sup> year on year

<sup>(2)</sup> in EUR million

<sup>(3)</sup> in percent

<sup>(4)</sup> in percentage points

External influences such as high inflation, uncertain economic development, geopolitical conflicts and a shortage of skilled workers led to global supply bottlenecks and more complex business processes in some areas. Thanks to optimized processes and targeted data analyses, the Supply Chain division helped ensure the functionality of its customers' supply chains in a difficult environment. All regions and sectors recorded increases in revenue, supported by new business wins, contract renewals and the growing e-commerce business. The majority of new business was generated in the consumer, retail and technology sectors and is mainly attributable to e-commerce-based solutions. The annualized contract renewal rate remained at a consistently high level.

**eCommerce: Strong structural trend and intense competition**

eCommerce	2022	2023	YOY <sup>(1)</sup>
Revenue <sup>(2)</sup>	6,142	6,315	+2.8 <sup>(3)</sup>
EBIT <sup>(2)</sup>	389	292	-24.9 <sup>(3)</sup>
EBIT margin <sup>(3)</sup>	6.3	4.6	-1.7 <sup>(4)</sup>

<sup>(1)</sup> year on year

<sup>(2)</sup> in EUR million

<sup>(3)</sup> in percent

<sup>(4)</sup> in percentage points

The structural trend in e-commerce remains intact with volumes well above pre-pandemic levels in 2019. Excluding negative currency effects of EUR 174 million, revenues were up 5.6 percent compared to the previous year. Higher costs and continuous investment in the expansion of the networks were the main factors contributing to the EBIT development.

**Post & Parcel Germany: Weak mail and robust parcel business**

Post & Parcel Germany	2022	2023	YOY <sup>(1)</sup>
Revenue <sup>(2)</sup>	16,779	16,892	+0.7 <sup>(3)</sup>
EBIT <sup>(2)</sup>	1,271	870	-31.5 <sup>(3)</sup>
EBIT margin <sup>(3)</sup>	7.6	5.2	-2.4 <sup>(4)</sup>

<sup>(1)</sup> year on year

<sup>(2)</sup> in EUR million

<sup>(3)</sup> in percent

<sup>(4)</sup> in percentage points

The structural change in the mail business continues: while the number of traditional letters continues to fall, the volume of goods-carrying items in the letter network is growing. The dialog marketing business developed negatively due to lower expenditure on physical advertising mailings. This development is primarily due to inflation and consumer restraint. The main reasons for the growth in revenue were higher prices for business customers beginning in the second half of the year and increased volumes in the national and international business with goods-carrying shipments.

You can find the press release for download as well as further information on [group.dhl.com/pressreleases](https://group.dhl.com/pressreleases)

**Note to editors:** An interview with CEO Tobias Meyer can be found at [group.dhl.com](https://group.dhl.com). The event for investors will be streamed on [www.reporting-hub.dpdhl.com](https://www.reporting-hub.dpdhl.com) starting at 09:00 am CET.

# Press release



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**DHL Group** is the world's leading logistic company. The Group connects people and markets and is an enabler of global trade. It aspires to be the first choice for customers, employees and investors worldwide. To this end, DHL Group is focusing on growth in its profitable core logistics businesses and accelerating the digital transformation in all business divisions. The Group contributes to the world through sustainable business practices, corporate citizenship and environmental activities. By the year 2050, DHL Group aims to achieve net-zero emissions logistics.

DHL Group is home to two strong brands: DHL offers a comprehensive range parcel, express, freight transport and supply chain management services as well as e-commerce logistics solutions. Deutsche Post is the largest postal service provider in Europe and the market leader in the German mail market. DHL Group employs approximately 594,000 people in over 220 countries and territories worldwide. The Group generated revenues of approximately 81.8 billion Euros in 2023.

**The logistics company for the world.**

**Group financial highlights in full year of 2023**

<b>DHL Group (in EUR million)</b>	<b>2022</b>	<b>2023</b>	<b>YOY in %</b>
Revenue	94,436	81,758	-13.4
– of which international	72,566	60,810	-16.2
EBIT	8,436	6,345	-24.8
Consolidated net profit <sup>(1)</sup>	5,359	3,677	-31.4
Basic earnings per share (in €)	4.41	3.09	-29.9
Diluted earnings per share (in €)	4.33	3.04	-29.8

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

**Divisional revenue in full year of 2023**

<b>in EUR million</b>	<b>2022</b>	<b>2023</b>	<b>YOY in %</b>
Express	27,592	24,846	-10.0
Global Forwarding, Freight	30,212	19,305	-36.1
Supply Chain	16,431	16,958	+3.2
eCommerce	6,142	6,315	+2.8
Post & Parcel Germany	16,779	16,892	+0.7
Group Functions/Consolidation	-2,720	-2,558	+6.0
<b>Group</b>	<b>94,436</b>	<b>81,758</b>	<b>-13.4</b>

**Divisional EBIT in full year of 2023**

<b>in EUR million</b>	<b>2022</b>	<b>2023</b>	<b>YOY in %</b>
DHL	7,617	5,906	-22.5
Express	4,025	3,229	-19.8
Global Forwarding, Freight	2,311	1,423	-38.4
Supply Chain	893	961	+7.6
eCommerce	389	292	-24.9
Post & Parcel Germany	1,271	870	-31.5
Group Functions/Consolidation	-453	-430	+5.1
<b>Group</b>	<b>8,436</b>	<b>6,345</b>	<b>-24.8</b>

**Group financial highlights for the fourth quarter of 2023**

<b>DHL Group (in EUR million)</b>	<b>Q4 2022</b>	<b>Q4 2023</b>	<b>YOY in %</b>
Revenue	23,776	21,348	-10.2
– of which international	17,915	15,664	-12.6
EBIT	1,922	1,642	-14.6
Consolidated net profit <sup>(1)</sup>	1,335	981	-26.5
Basic earnings per share (in €)	1.11	0.83	-25.2
Diluted earnings per share (in €)	1.09	0.81	-25.7

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

**Divisional revenue for the fourth quarter of 2023**

<b>in EUR million</b>	<b>Q4 2022</b>	<b>Q4 2023</b>	<b>YOY in %</b>
Express	7,029	6,558	-6.7
Global Forwarding, Freight	6,805	4,565	-32.9
Supply Chain	4,363	4,361	0.0
eCommerce	1,696	1,825	+7.6
Post & Parcel Germany	4,623	4,739	+2.5
Group Functions/Consolidation	-740	-700	+5.4
<b>Group</b>	<b>23,776</b>	<b>21,348</b>	<b>-10.2</b>

**Divisional EBIT for the fourth quarter of 2023**

<b>in EUR million</b>	<b>Q4 2022</b>	<b>Q4 2023</b>	<b>YOY in %</b>
DHL	1,658	1,397	-15.7
Express	941	758	-19.4
Global Forwarding, Freight	402	340	-15.4
Supply Chain	225	220	-2.2
eCommerce	91	78	-14.3
Post & Parcel Germany	384	402	+4.7
Group Functions/Consolidation	-121	-156	-28.9
<b>Group</b>	<b>1,922</b>	<b>1,642</b>	<b>-14.6</b>