FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms Deutsche Post at 'A-'; Outlook Stable

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Fitch Ratings - Barcelona - 20 Jul 2026: Fitch Ratings has affirmed Deutsche Post AG's (DP) Long-Term Issuer Default Rating (IDR) and senior unsecured rating at 'A-'. The Outlook on the IDR is Stable.

The rating affirmation primarily reflects the company's large scale, balanced business profile with a presence across various subsectors of the logistic business and geographical diversification, as well as its solid financial profile and liquidity.

The Stable Outlook reflects our expectation of EBITDAR net leverage remaining within our rating sensitivities, despite global trade volatility, acquisitions and shareholder buyback programmes. This also reflects our expectation of moderate EBITDA growth during 2026-2027.

KEY RATING DRIVERS

Growth Strategy: DP's strategy remains focused on growth, targeting a 50% increase in revenue by 2030 (compared with 2023) and improved profitability. The company plans to invest in segments with strong growth potential, including life sciences and healthcare, new energy and e-commerce. DP is targeting emerging markets with above average GDP growth, such as Brazil, Mexico, China, India and UAE, among others.

Profitability should be supported by DP's 'Fit for Growth' programme aimed at achieving annual cost savings of EUR1 billion by end-2026, compared with 2024. We view DP's increased focus on growth as positive for its business profile, although our forecasts reflect more moderate annual revenue growth in the mid-single digits and a more gradual improvement in profitability, compared with the company's targets. We also assume that DP's management will continue to balance growth ambitions with a solid financial structure, focusing on medium-sized transactions.

Manageable Middle East Conflict Impact: DP has a limited exposure to the Middle East region at less than 2% of revenue. The conflict has resulted in significant disruption to the trade lanes between Asia and Europe, particularly for airborne shipments. However, DP has been able to continue to support its customers, due to its large infrastructure and efficient Express fleet, and also to avert the impact of fuel price rise, due to well-established fuel price surcharge mechanisms in the industry. DP's global freight forwarding (GFF) business also stands to benefit from higher unit gross margins as air freight and container freight rates have increased because of the conflict.

Results Broadly as Expected: In 2025, Fitch-calculated EBIT was EUR5.2 billion (2024: EUR5.1 billion), slightly lower than our expectations and driven primarily by a weaker GFF subsector, due to declining ocean and air freight rates. This was offset by DP's stronger post and parcel business, driven by higher parcel volumes and yield management. Its Express division also improved its performance, due mainly to cost discipline, despite lower volumes, while DP's supply chain business maintained its steady growth profile.

Moderate Growth in 2026: We expect Fitch-calculated EBIT (after lease interest) to rise to EUR5.4 billion in 2026 with a stable EBIT margin at 6.2%. This is driven by further benefit from improved network capacity usage and prioritisation of higher-value shipments at its Express division, while GFF stands to benefit from market disruptions leading to higher freight rates this year. We expect the supply chain business to continue its revenue and margin rise, while for the post and parcel division to report weaker results due to the absence of letter price increase in 2026.

Leverage within Rating Sensitivities: At end-2025, EBITDAR net leverage was 2.2x. We expect this to remain largely stable during 2026-2027, as moderate improvement of profits offsets further cash outflows for acquisitions, ongoing share buybacks and large capex (also related to leased assets), resulting in moderate headroom versus the 2.7x negative rating sensitivity. We expect DP's average cost of debt to increase, reflecting the refinancing of lower coupon debt issued earlier. DP's financial policy includes a commitment to a rating of 'BBB+' to 'A-' and we believe management would take actions to protect leverage.

Acquisitions, Share Buybacks Prevent Deleveraging: DP has announced several acquisitions, particularly in supply chain and e-commerce in the last 18 months. We expect continued growth from acquisitions as part of DP's 'GDP-plus growth' strategy, and we have assumed moderate acquisitions in our rating case. DP's share buyback programme, totalling EUR6 billion over 2022-2026, will result in up to EUR1.5 billion spending in 2026. DP is able to maintain the rating with these activities, but they limit the potential for deleveraging and highlight management's balanced approach between leverage, growth and shareholder returns.

PEER ANALYSIS

DP has strong credit metrics compared with peers. Its global scale of operations, leading market positions and operationally diversified business provide a competitive advantage versus peers, such as FedEx Corp., InPost S.A. (BB+/Rating Watch Negative), SGL Group ApS (B/Stable), GXO Logistics, Inc. (BBB-/Stable) and government-related operators La Poste (A+/Stable; Standalone Credit Profile (SCP): bbb+).

La Poste is a mail operator in France and a government-related entity that we rate one notch below France (A+/Stable). GXO is a leading provider of contract logistics. GXO is considerably smaller, generates lower margins and is less operationally diversified than DP, which has large operations outside contract logistics.

SGL is an asset-light freight forwarder and logistics provider with a global footprint and is particularly active in the Nordics and North America. It is less diversified in operations than DP and is smaller, which constrains its debt capacity. Poland-based InPost has higher EBITDA margins than DP. It is also far smaller, has a fairly weak international presence and lack of product diversification, resulting in a substantially lower debt capacity.

FITCH’S KEY RATING-CASE ASSUMPTIONS

-Post and parcel division to face steady decline in mail volumes but increasing parcel volumes in 2026-2028

- Express volumes to increase moderately in 2026 and then in the low single digits in 2027-2028

-GFF's volumes to rise gradually in 2026 and to recover to low- to mid-single digit growth from 2027

-Stable growth in supply chain in 2026-2028

-e-commerce to broadly continue its growth trajectory from 2027, after a decline in 2026 due to acquisition-related deconsolidation

-Net capex (excluding acquisitions) averaging EUR3.2 billion a year over 2026-2028

-Dividend payout at the higher end of 40%-60% policy range for 2026-2027

-Share buybacks in line with management's announced plan of up to EUR6 billion during 2022-2026

CORPORATE RATING TOOL INPUTS AND SCORES

Fitch scored the issuer as follows, using its Corporate Rating Tool (CRT) to produce the SCP:

Business and financial profile factors (assessment, relative importance): management ('bbb', Lower), sector characteristics ('bbb+', Moderate), market and competitive positioning ('a', Higher), diversification and asset quality ('a', Moderate), company operational characteristics ('bbb+', Moderate), profitability ('bbb-', Moderate), financial structure ('bbb+', Higher), and financial flexibility ('a-', Moderate).

The quantitative financial subfactors are based on standard CRT financial period parameters: 20% weight for the historical year 2025, 40% for the forecast year 2026 and 40% for the forecast year 2027.

The governance assessment of 'good' has no impact.

The operating environment assessment of 'a+' has no impact.

The calibration adjustment applies and results in an adjustment of one notch.

The SCP is 'a-'.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

EBITDAR net leverage above 2.7x on a sustained basis

Significant deterioration in business fundamentals due to a protracted economic downturn or structural changes leading to sharply lower volume and consistently negative FCF

Fitch-calculated EBIT margin below 6% on a sustained basis

EBITDAR fixed charge coverage consistently below 3.3x

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Total adjusted net debt/EBITDAR below 1.7x on a sustained basis

Positive Fitch-calculated FCF on a sustained basis

Structural improvement of profitability, leading to Fitch-calculated EBIT margin above 8% on a sustained basis

LIQUIDITY AND DEBT STRUCTURE

At end-2025, DP had EUR1.9 billion unrestricted cash and cash equivalents. This was complemented by a EUR4 billion committed and undrawn syndicated credit line. At end-2025, DP had reported short-term debt of EUR2.6 billion, excluding lease liabilities of EUR2.5 billion and EUR600 million of planned share buybacks recognised under financial liabilities. We expect enough liquidity and FCF to cover Fitch-assumed net acquisitions and divestitures of about EUR400 million in 2026 plus up to EUR1.5 billion share buybacks.

DP issued EUR1.25 billion senior unsecured notes in March 2026 to refinance its EUR500 million and EUR750 million notes that matured in April 2026 and May 2026, respectively. Debt maturities in the next three years are evenly balanced.

ISSUER PROFILE

DP is a global logistics company, which operates two brands: Deutsche Post, which is Europe's leading postal service provider, and DHL, which offers parcel and international express services, freight transport and supply chain management services as well as e-commerce logistics solutions.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

MACROECONOMIC ASSUMPTIONS AND SECTOR FORECASTS

Click here to access Fitch's latest quarterly Global Corporates Sector Forecasts Monitor data file which aggregates key data points used in our credit analysis. Fitch's macroeconomic forecasts, commodity price assumptions, default rate forecasts, sector key performance indicators and sector-level forecasts are among the data items included.

CLIMATE VULNERABILITY SIGNALS

The results of our Climate.VS screener did not indicate an elevated risk for DP.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

RATING ACTIONS

ENTITY / DEBT	RATING TYPE	RATING	RATING ACTION	PRIOR
Deutsche Post AG	LT IDR	A- Rating Outlook Stable	Affirmed	A- Rating Outlook Stable
	ST IDR	F2	Affirmed	F2
senior unsecured	LT	A-	Affirmed	A-

VIEW ADDITIONAL RATING DETAILS

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APPLICABLE CRITERIA

Corporates Recovery Ratings and Instrument Ratings Criteria (pub. 02 Aug 2024) (including rating assumption sensitivity)

Corporate Hybrids Treatment and Notching Criteria (pub. 08 Apr 2025)

Corporate Rating Criteria (pub. 09 Jan 2026) (including rating assumption sensitivity)

Sector Navigators – Addendum to the Corporate Rating Criteria (pub. 09 Jan 2026)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v8.2.0 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

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