Press release



DHL Express uncovers next wave of E-commerce growth

- Whitepaper predicts online B2B increase of more than 70% by 2027 to US\$ 20.9 trillion (2019: US\$ 12.2 trillion)
- Covid-19 pandemic drives digital transformation and significantly accelerates B2C and B2B E-commerce growth
- DHL Express closed FY2020 with best result in its history (EBIT: €2.7bn, +34.9% yoy)

Bonn, March 30, 2021: Today, DHL Express, the world's leading international express service provider, released a new Whitepaper "*The Ultimate B2B E-commerce Guide: Tradition is out. Digital is in*". The study predicts strong growth for the B2B E-commerce market in the coming years: by 2025, 80% of all B2B sales interactions between suppliers and professional buyers will take place in digital channels. The impact of the Covid-19 pandemic on the pace of digitalization and the purchasing behaviour of technology-savvy millennials, who are now of an age to be the professional B2B decision-makers, are the main drivers of this global E-commerce growth. What is predicted for the future of the B2B sector, has already been visible in the significant B2C E-commerce rise over the last years, where DHL Express experienced high growth rates particularly during the holiday peak seasons (e.g. Easter, Christmas) and mega shopping days (e. g. Black Friday, Cyber Monday). In total the B2C E-commerce volumes within the DHL Express network increased in 2020 by approximately 40%, compared to 2019.

This positive business development is also reflected in the FY2020 financial results of the company: With a total revenue of €19.1 billion (+11.9% year-on-year) and EBIT of €2.7 billion (+34.9%) the Express division of Deutsche Post DHL Group closed 2020 with the best result in its more than 50 years history. With its worldwide network and breadth of industries served, DHL Express was able to accommodate fast-changing trade flows. Furthermore its presence in more than 220 countries and territories helped consumers and businesses to stay connected by enabling them to trade around the world – also during the Covid-19 pandemic.

"Even in times of worldwide shutdowns, globalization has shown its resilience, fuelled by digitalization and the power of global trade", says John Pearson, CEO of DHL Express. "These trends have led to an ever growing number of consumers to shift their shopping activities online. The pandemic has accelerated this development like never before, with a sharp rise in businesses selling their goods in the global marketplace. E-commerce and global logistics thus provided the key to unlock local shutdowns, keep economies running and mitigate the impact of Covid-19 for many of our customers."

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Acceleration of E-commerce growth through Covid-19

It was not only B2C E-commerce that was growing due to ongoing digitalization and changed shopping behaviour of consumers. In 2019, before the pandemic, global sales on B2B E-commerce sites and marketplaces had already increased by 18.2% to reach USD 12.2 trillion¹, outpacing the market size of the B2C sector. Through Covid-19 and the resulting acceleration of digitalization, this global B2B E-commerce volume is estimated to reach USD 20.9 trillion by 2027².

"We have been facing the pandemic for over one year now", says Michiel Greeven, Executive Vice President Global Sales at DHL Express. "A year that showed how nearly a decade of digital evolution happened in just a few months' time, with online shopping and cross-border shipping as the new normal. And this is true not only for B2C retailers, but also in terms of B2B E-commerce as companies started recognising that online selling platforms are crucial for their business success, today and in the future. As a result, there will also be an additional need for global Express shipping and DHL Express is well positioned to support all B2B companies on their journey."

Huge potential in B2B E-commerce also driven by Millennials

The Whitepaper, compiled by DHL Express, uncovers factors driving the growth of the global B2B E-commerce market: besides general trends such as globalisation and digitalization, a new technology-oriented generation of millennials is starting to make its mark. Already, millennials account for 73% of all professional B2B purchasing decisions. As digital natives, their experiences in the B2C-sector translate to high expectations when making B2B transactions, pushing companies to invest in digital solutions, such as selling platforms, while offering great growth potential.

"If B2B businesses want to make the most out of the new cross-border and E-commerce opportunities they need to start adapting to the changing buying behaviours. Especially with the upcoming generation of millennial as B2B decision-makers, who are further driving the digitalization of the sector. B2B customer experiences have to be more aligned with the digital B2C experiences. As international E-commerce specialists, we have the know-how and insights to support businesses to adapt to the ongoing changes and unleash their full potential" says Leendert van Delft, Vice President Global Sales Programs and Global E-commerce.

DHL Express is investing to continue to meet high customer demands

¹ Statista

² R<u>esearchandmarkets</u>

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In 2020 DHL Express delivered 484 million shipments in total for its customers (B2C and B2B) around the globe, around 9% more per day than in 2019. To adapt to this significant growth of its network, DHL Express continues to invest annually more than €1 billion in new state-of-the-art facilities around the world to multiply its sorting capacity (+65% since 2013), hires new employees (+10,000 year-on-year) and adds new freighter aircraft to its fleet (+20 units year-on-year). In this context, DHL Express recently announced the purchase of eight more Boeing B777 wide body freighters and a partnership with Smartlynx Malta to add two Airbus A321 to its fleet. With these measures, DHL Express ensures that its worldwide customers can benefit from the global E-commerce boom.

To read the complete Whitepaper, please click on the following link: E-commerce Whitepaper

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DHL – The logistics company for the world

DHL is the leading global brand in the logistics industry. Our DHL divisions offer an unrivalled portfolio of logistics services ranging from national and international parcel delivery, e-commerce shipping and fulfillment solutions, international express, road, air and ocean transport to industrial supply chain management. With about 400,000 employees in more than 220 countries and territories worldwide, DHL connects people and businesses securely and reliably, enabling global sustainable trade flows. With specialized solutions for growth markets and industries including technology, life sciences and healthcare, engineering, manufacturing & energy, auto-mobility and retail, DHL is decisively positioned as "The logistics company for the world".

DHL is part of Deutsche Post DHL Group. The Group generated revenues of more than 66 billion euros in 2020. With sustainable business practices and a commitment to society and the environment, the Group makes a positive contribution to the world. Deutsche Post DHL Group aims to achieve zero-emissions logistics by 2050.