



## **DHL Group meets market expectations in Q3 2023 and proves financial strength in weak global environment**

- Group revenue in the third quarter at EUR 19.4 billion
- Operating profit amounts to EUR 1.4 billion
- Group generates free cash flow of EUR 1.1 billion in third quarter and EUR 2.5 billion in first nine months
- Group narrowed 2023 EBIT forecast to EUR 6.2-6.6 billion in line with the two remaining macroeconomic scenarios – previous scenario for a rapid V-shaped recovery of the global economy no longer applies
- 2025 EBIT expected between EUR 7.0 and EUR 8.0 billion
- Gross investments of EUR 871 million in the third quarter for further international growth
- CEO Tobias Meyer: “The recovery of the global economy has failed to materialize so far. However, through investments in growth areas of our global business, we are well prepared for the moment when the global economy recovers.”

**Bonn, November 8, 2023.** Continuing weak global economic development and the normalization of freight transport after the pandemic-related boom of 2021 and 2022 also impacted the third quarter of 2023. As expected, the Group did not match the prior-year figures with revenue of EUR 19.4 billion (Q3 2022: EUR 24.0 billion) and operating profit (EBIT) of EUR 1.4 billion (Q3 2022: EUR 2.0 billion). Lower freight volumes and rates as well as exchange rate and fuel cost effects impacted the DHL business. Earnings for the Post & Parcel Germany division reflect cost increases and the detrimental regulatory environment for the mail business. Despite these external effects, the Group achieved free cash flow of EUR 1.1 billion in the third quarter and EUR 2.5 billion in the first nine months of 2023. This proves DHL Group’s structurally improved performance and financial strength even in a weak economic environment.

*“Global trade has continued to normalize after the pandemic-related boom and the recovery of the global economy has so far failed to materialize, also against the backdrop of higher interest rates and geopolitical crises. We have planned for different scenarios early on and are therefore well on track to achieve our targets for the year. In the current market environment, we will keep a close eye on our*

*costs and continue to invest in growth areas of our global business and our service quality. We are well prepared for the moment when the global economy recovers."*

Tobias Meyer, CEO DHL Group



DHL Group generated total net profit after non-controlling interests of EUR 807 million in the third quarter of 2023 (Q3 2022: EUR 1.2 billion). Basic earnings per share in the same period therefore amounted to EUR 0.68, compared with EUR 1.01 in the previous year.

### **Further continuous investment in international growth markets**

In the third quarter of 2023, DHL Group generated operating cash flow of EUR 2.5 billion (Q3 2022: EUR 3.5 billion). Free cash flow was EUR 1.1 billion (Q3 2022: EUR 1.8 billion). In the first nine months of this year, DHL Group achieved free cash flow of EUR 2.5 billion (9M 2022: EUR 2.3 billion).

The Group further invested in growth markets and trends, while investments and costs in Germany were adjusted to the detrimental regulatory environment. Gross capital expenditure (capex) amounted to EUR 871 million in the third quarter (Q3: 2022: EUR 958 million). In addition to investments in sustainable business activities such as low-emission logistics infrastructure, the focus was on the automation and digitalization of operational processes. By strengthening the global DHL network, the Group also offers its customers solutions for their omnishoring strategies to reduce their dependencies on individual locations and to increase their diversification. Strategic investments include, for example, programs of the DHL Supply Chain division in Latin America and Southeast Asia. By 2028, the company will have committed EUR 500 million (Latin America) and EUR 350 million (Southeast Asia) to strengthening these strategically important logistics markets.

## Forecast for 2023 narrowed – two macroeconomic scenarios remaining

DHL Group generated consolidated revenue of EUR 60.4 billion in the first nine months of 2023 (9M 2022: EUR 70.7 billion). Operating profit also developed in line with expectations in the same period, at EUR 4.7 billion (9M 2022: EUR 6.5 billion).

The Group narrowed its earnings forecast for 2023 to EUR 6.2 to EUR 6.6 billion as a recovery of the global economy has not materialized yet. The macroeconomic scenarios were narrowed as follows:

- V-shaped recovery: The scenario for a recovery of the global economy from the beginning of the second half of 2023 and an EBIT of around EUR 7.0 billion is no longer applicable.
- U-shaped recovery: In the event of a recovery at the end of the year, DHL expects an EBIT of around EUR 6.6 billion (scenario unaltered).
- L-shaped scenario: In the unfavourable case of no significant recovery of the global economy in the remainder of the financial year, an EBIT of at least EUR 6.2 billion is expected (scenario unaltered).

For the DHL divisions, DHL Group is expecting an EBIT between EUR 5.7 and EUR 6.1 billion (previously EUR 5.7 to EUR 6.5 billion) in 2023. For Post & Parcel Germany, the company still plans for an EBIT between EUR 800 million and EUR 1.0 billion.

For 2025 DHL Group expects an EBIT between EUR 7.0 and EUR 8.0 billion (previously more than EUR 8.0 billion).

## Express: effective yield and cost management

Express	Q3 2022	Q3 2023	YOY <sup>(4)</sup>
Revenue <sup>(1)</sup>	7,197	5,885	-18.2 <sup>(2)</sup>
EBIT <sup>(1)</sup>	1,012	667	-34.1 <sup>(2)</sup>
EBIT margin <sup>(2)</sup>	14.1	11.3	-2.8 <sup>(3)</sup>

<sup>(1)</sup> in EUR million

<sup>(2)</sup> in percent

<sup>(3)</sup> in percentage points

<sup>(4)</sup> Year-Over-Year

The decline in revenue at DHL Express takes into account negative currency effects of EUR 439 million and lower fuel surcharges. Excluding currency effects and fuel surcharges, revenue in the third quarter decreased by 6.4 percent. As a result of continued weak market conditions, daily Time Definite International shipment volumes (TDI) decreased by 2.7 percent. In addition to currency effects, EBIT

was impacted by temporary negative effects from the increase in fuel prices. The division countered this development with continuous productivity improvements, optimized use of network capacity and effective cost management.

## Global Forwarding, Freight: expected decline in air and ocean freight revenue

Global Forwarding, Freight	Q3 2022	Q3 2023	YOY <sup>(4)</sup>
Revenue <sup>(1)</sup>	7,892	4,417	-44.0 <sup>(2)</sup>
EBIT <sup>(1)</sup>	573	306	-46.6 <sup>(2)</sup>
EBIT margin <sup>(2)</sup>	7.3	6.9	-0.4 <sup>(3)</sup>

<sup>(1)</sup> in EUR million

<sup>(2)</sup> in percent

<sup>(3)</sup> in percentage points

<sup>(4)</sup> Year-Over-Year

Revenue and EBIT in the Global Forwarding, Freight division decreased as expected due to lower volumes in both air and ocean freight and normalizing freight rates. Excluding negative currency effects of EUR 307 million, revenue was 40.1 percent lower than in the same period of the previous year.

## Supply Chain: continued growth in revenue and earnings

Supply Chain	Q3 2022	Q3 2023	YOY <sup>(4)</sup>
Revenue <sup>(1)</sup>	4,184	4,258	+1.8 <sup>(2)</sup>
EBIT <sup>(1)</sup>	219	242	+10.5 <sup>(2)</sup>
EBIT margin <sup>(2)</sup>	5.2	5.7	+0.5 <sup>(3)</sup>

<sup>(1)</sup> in EUR million

<sup>(2)</sup> in percent

<sup>(3)</sup> in percentage points

<sup>(4)</sup> Year-Over-Year

Excluding negative currency effects of EUR 191 million, revenue growth at DHL Supply Chain was 6.3 percent. Revenue growth was supported by new business, contract extensions and growing e-commerce business. In addition to positive revenue development, productivity increases supported earnings growth through digitalization and standardization.

## eCommerce: revenue slightly below previous year's level

eCommerce	Q3 2022	Q3 2023	YOY <sup>(4)</sup>
Revenue <sup>(1)</sup>	1,489	1,477	-0.8 <sup>(2)</sup>

EBIT <sup>(1)</sup>	87	55	-36.8 <sup>(2)</sup>
EBIT margin <sup>(2)</sup>	5.8	3.7	-2.1 <sup>(3)</sup>

<sup>(1)</sup> in EUR million

<sup>(2)</sup> in percent

<sup>(3)</sup> in percentage points

<sup>(4)</sup> Year-Over-Year

Excluding negative currency effects of EUR 59 million, revenue at DHL eCommerce was 3.2 percent above the previous year's figure. EBIT for the division decreased mainly as a result of higher costs and continued investment in network expansion.

### Post & Parcel Germany: ongoing structural change shapes business performance

Post & Parcel Germany	Q3 2022	Q3 2023	YOY <sup>(4)</sup>
Revenue <sup>(1)</sup>	3,948	3,959	+0.3 <sup>(2)</sup>
EBIT <sup>(1)</sup>	290	207	-28.6 <sup>(2)</sup>
EBIT margin <sup>(2)</sup>	7.3	5.2	-2.1 <sup>(3)</sup>

<sup>(1)</sup> in EUR million

<sup>(2)</sup> in percent

<sup>(3)</sup> in percentage points

<sup>(4)</sup> Year-Over-Year

The main reasons for the slight revenue growth at Post & Parcel Germany were higher parcel prices for business customers and increased volumes in the domestic and international business with merchandise-carrying shipments. This was mostly offset by the decline in volumes in the German mail business by 6.1 percent, which was attributable to ongoing structural change in mail and communication business as well as receding advertising mail revenues in the face of inflation and consumer restraint. The decline in EBIT is owed to higher material costs due to inflation and charges on staff costs resulting from high collective wage agreements.

– End –

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 [www.group.dhl.com](https://www.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.

### Media Contact

DHL Group  
Media Relations  
Daniel Gabel

# Press release



Phone: +49 228 182-9944

E-mail: [pressestelle@dhl.com](mailto:pressestelle@dhl.com)

On the internet: [group.dhl.com/press](https://group.dhl.com/press)

Follow us at: [twitter.com/DHLglobal](https://twitter.com/DHLglobal)

**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 of parcel and international express service, 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 600,000 people in over 220 countries and territories worldwide. The Group generated revenues of more than 94 billion Euros in 2022.

**The logistics company for the world.**

### Group financial highlights for the third quarter

DHL Group (in €m)	Q3 2022 <sup>(1)</sup>	Q3 2023	YOY in %
Revenue	24,038	19,398	-19.3
– of which international	18,751	14,490	-22.7
EBIT	2,029	1,372	-32.4
Consolidated net profit <sup>(2)</sup>	1,220	807	-33.9
Basic earnings per share (in €)	1.01	0.68	-32.7
Diluted earnings per share (in €)	0.99	0.68	-31.3

<sup>(1)</sup> Prior-year figures adjusted

<sup>(2)</sup> After non-controlling interests

### Divisional revenue in the third quarter

in €m	Q3 2022	Q3 2023	YOY in %
Express	7,197	5,885	-18.2
Global Forwarding, Freight	7,892	4,417	-44.0
Supply Chain	4,184	4,258	+1.8
eCommerce	1,489	1,477	-0.8
Post & Parcel Germany	3,948	3,959	+0.3
Group Functions/Consolidation	-672	-598	+11.0
<b>Group</b>	<b>24,038</b>	<b>19,398</b>	<b>-19.3</b>

### Divisional EBIT in the third quarter

in €m	Q3 2022 <sup>(1)</sup>	Q3 2023	YOY in %
DHL	1,892	1,271	-32.8
Express	1,012	667	-34.1
Global Forwarding, Freight	573	306	-46.6
Supply Chain	219	242	+10.5
eCommerce	87	55	-36.8
Post & Parcel Germany	290	207	-28.6
Group Functions/Consolidation	-152	-105	+30.9
<b>Group</b>	<b>2,029</b>	<b>1,372</b>	<b>-32.4</b>

<sup>(1)</sup> Prior-year figures adjusted

### Group financial highlights for the first nine months

DHL Group (in €m)	9M 2022 <sup>(1)</sup>	9M 2023	YOY in %
Revenue	70,660	60,410	-14.5
– of which international	54,651	45,146	-17.4
EBIT	6,514	4,703	-27.8
Consolidated net profit <sup>(2)</sup>	4,024	2,696	-33.0
Basic earnings per share (in €)	3.30	2.26	-31.5
Diluted earnings per share (in €)	3.24	2.23	-31.2

<sup>(1)</sup> Prior-year figures adjusted

<sup>(2)</sup> After non-controlling interests

### Divisional revenue in the first nine months

in €m	9M 2022	9M 2023	YOY in %
Express	20,563	18,288	-11.1
Global Forwarding, Freight	23,407	14,740	-37.0
Supply Chain	12,068	12,597	+4.4
eCommerce	4,446	4,490	+1.0
Post & Parcel Germany	12,156	12,153	0.0
Group Functions/Consolidation	-1,980	-1,858	+6.2
<b>Group</b>	<b>70,660</b>	<b>60,410</b>	<b>-14.5</b>

### Divisional EBIT in the first nine months

in €m	9M 2022 <sup>(1)</sup>	9M 2023	YOY in %
DHL	5,959	4,509	-24.3
Express	3,084	2,471	-19.9
Global Forwarding, Freight	1,909	1,083	-43.3
Supply Chain	668	741	+10.9
eCommerce	298	214	-28.2
Post & Parcel Germany	887	468	-47.2
Group Functions/Consolidation	-332	-274	+17.5
<b>Group</b>	<b>6,514</b>	<b>4,703</b>	<b>-27.8</b>



# Press release



<sup>(1)</sup> Prior-year figures adjusted