

# QUARTERLY STATEMENT AS AT 31 MARCH 2020

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### Selected key figures

		Q1 2019	Q1 2020	+/- %
Revenue	€m	15,353	15,487	0.9
Profit from operating activities (EBIT)	€m	1,159	592	-48.9
Return on sales <sup>1</sup>	%	7.5	3.8	-
EBIT after asset charge (EAC)	€m	521	-80	<-100
Consolidated net profit for the period <sup>2</sup>	€m	746	301	-59.7
Free cash flow	€m	-256	-409	-59.8
Net debt <sup>3</sup>	€m	13,367	14,061	5.2
Earnings per share <sup>4</sup>	€	0.60	0.24	-60.0
Number of employees <sup>5</sup>		540,245	540,841	0.1

<sup>1</sup> EBIT/revenue. <sup>2</sup> After deduction of non-controlling interests. <sup>3</sup> Prior-year amount as at 31 December. <sup>4</sup> Basic earnings per share. <sup>5</sup> Headcount at the end of the first quarter, including trainees.

# BUSINESS PERFORMANCE

## Organisational changes

In the first quarter of 2020, no material changes were made to the Group's organisational structure.

## Significant events

As a broadly diversified, globally operating logistics service provider, we are in a more robust position than other companies to master the challenges posed by the current economic situation. However, the restrictions resulting from the COVID-19 pandemic are impacting the entire global economy, including our own business. The situation differs greatly from region to region. Whereas some countries are keeping their borders closed, restricting the flow of goods and imposing lockdowns, others are already starting to lift restrictions in areas with low rates of new infections. In the **➤ Divisions** chapter, we comment on the different ways in which our divisions were impacted in the first quarter of 2020.

The Board of Management decided at the end of February to terminate the search for a partner for our StreetScooter activities. We have begun to refocus StreetScooter upon operating its existing fleet and shall discontinue the production of electric vehicles. The negative impact related to StreetScooter in the first quarter of 2020 amounted to €234 million.

## Revenue, earnings and financial position

### Portfolio unchanged

There were no material changes in our portfolio in the reporting period.

### Year starts with higher consolidated revenue

Consolidated revenue rose by €134 million to €15,487 million in the first quarter of 2020; negative currency effects amounted to €16 million. The proportion of revenue generated abroad decreased from 69.1% to 68.8%.

In the previous year, income from the sale of the Supply Chain business in China drove up other operating income considerably. Therefore, in the reporting period, this figure dropped markedly, by €508 million to €422 million.

### StreetScooter decision raises depreciation, amortisation and impairment losses

Materials expense fell by €104 million to €7,710 million, mainly on account of lower transport and fuel costs. At €5,528 million, staff costs were up €98 million over the previous year's figure, due primarily to an increased headcount in the Express division. Depreciation, amortisation and impairment losses rose sharply to €1,021 million, driven mainly by an increase in capex and especially the StreetScooter decision. Other operating expenses totalled €1,077 million, down slightly from the previous year. This item included negative impacts incurred in the reporting period for StreetScooter and in the previous year for the Supply Chain division.

### Consolidated EBIT down 48.9%

In the first quarter of 2020, consolidated EBIT was €592 million, appreciably under the previous year's level of €1,159 million, which included a net effect of €345 million from the sale of the Supply Chain business in China and from restructuring in the Supply Chain and eCommerce divisions. The negative effects of COVID-19 on Group EBIT in the reporting period totalled €210 million compared with the plan. In addition, StreetScooter had a negative impact on earnings. In contrast, net finance costs improved from €-164 million to €-151 million, thanks primarily to higher income from the fair value measurement of stock appreciation rights (SARs). Profit before income taxes declined €554 million to €441 million. Income taxes fell €113 million to €106 million.

### Consolidated net profit below prior-year figure

At €335 million, consolidated net profit in the first quarter of 2020 was well below the prior-year level (€776 million). Of this amount, €301 million was attributable to Deutsche Post AG shareholders and €34 million to non-controlling interests. Earnings per share declined from €0.60 to €0.24.

### Decrease in EBIT after asset charge (EAC)

EAC declined in the first quarter of 2020 from €521 million to €-80 million. Whilst EBIT dropped sharply, the imputed asset charge increased moderately, in particular due to investments in property, plant and equipment in the Express division.

**EBIT after asset charge (EAC)**

€m	Q1 2019	Q1 2020	+/- %
EBIT	1,159	592	-48.9
⊖ Asset charge	-638	-672	-5.3
<b>⊖ EAC</b>	<b>521</b>	<b>-80</b>	<b>&lt;-100</b>

**Liquidity remains very solid**

The FFO to debt performance metric rose in the first quarter of 2020 compared with 31 December 2019 despite the increase in debt. Funds from operations rose, mainly on account of the increase in operating cash flow before changes in working capital. Reported financial liabilities were also up, due mainly to higher lease obligations and higher amounts due to banks. The adjustment for pensions decreased due to lower pension obligations and despite lower plan assets. Surplus cash and near-cash investments declined, due primarily to the seasonally negative free cash flow. On 31 March 2020, the Group had cash and cash equivalents of €2.6 billion. In view of our solid liquidity, our syndicated credit facility with a total volume of €2 billion was not drawn down during the reporting period.

**FFO to debt**

€m	1 Jan. to 31 Dec. 2019	1 April 2019 to 31 March 2020
Operating cash flow before changes in working capital	6,045	6,284
⊕ Interest received	82	84
⊖ Interest paid	608	612
⊕ Adjustment for pensions	190	172
<b>⊖ Funds from operations, FFO</b>	<b>5,709</b>	<b>5,928</b>
Reported financial liabilities <sup>1</sup>	16,974	17,360
⊖ Financial liabilities at fair value through profit or loss <sup>1</sup>	23	74
⊕ Adjustment for pensions <sup>1</sup>	4,872	4,729
⊖ Surplus cash and near-cash investments <sup>1,2</sup>	1,916	1,708
<b>⊖ Debt</b>	<b>19,907</b>	<b>20,307</b>
<b>FFO to debt (%)</b>	<b>28.7</b>	<b>29.2</b>

<sup>1</sup> As at 31 December 2019 and 31 March 2020, respectively.

<sup>2</sup> Reported cash and cash equivalents and investment funds callable at sight, less cash needed for operations.

**Capital expenditure for assets acquired at prior-year level**

Investments in property, plant and equipment and intangible assets acquired (excluding goodwill) amounted to €453 million in the first quarter of 2020 (previous year: €448 million). As planned, we renewed the Express division's intercontinental aircraft fleet, with €66 million attributable to assets acquired and €136 million to leased assets.

**Higher operating cash flow**

In the first quarter of 2020, net cash from operating activities rose sharply compared with the prior-year period, from €252 million to €750 million. All non-cash income and expenses were adjusted based on EBIT, which at €592 million was down significantly on the prior-year figure (€1,159 million). In the reporting period, this was due to factors including the increase in depreciation, amortisation and impairment losses arising from the refocus of Street-Scooter. In the previous year, payments resulting from the sale of the Supply Chain business in China were shown in net cash from/used in investing activities. The cash outflow from changes in working capital amounted to €758 million, compared with a corresponding outflow of €1,017 million in the prior-year period.

Net cash used in investing activities amounted to €541 million. This compares with a prior-year cash inflow of €90 million. Proceeds from the sale of the Supply Chain business in China exceeded capital expenditure in the previous year. At €597 million in the reporting period, cash paid to acquire property, plant and equipment and intangible assets decreased from the previous year (€634 million).

Although free cash flow declined from €-256 million to €-409 million, this was only because the previous year's figure included the proceeds from the sale of the Supply Chain business in China.

**Calculation of free cash flow**

€m	Q1 2019	Q1 2020
<b>Net cash from operating activities</b>	<b>252</b>	<b>750</b>
Sale of property, plant and equipment and intangible assets	48	26
Acquisition of property, plant and equipment and intangible assets	-634	-597
<b>Cash outflow from change in property, plant and equipment and intangible assets</b>	<b>-586</b>	<b>-571</b>
Disposals of subsidiaries and other business units	657	0
Disposals of investments accounted for using the equity method and other investments	0	0
Acquisition of subsidiaries and other business units	0	0
Acquisition of investments accounted for using the equity method and other investments	-9	-5
<b>Cash inflow/outflow from divestitures/acquisitions</b>	<b>648</b>	<b>-5</b>
Proceeds from lease receivables	7	6
Repayment of lease liabilities	-472	-482
Interest on lease liabilities	-101	-102
<b>Cash outflow from leases</b>	<b>-566</b>	<b>-578</b>
Interest received	16	18
Interest paid	-20	-23
<b>Net interest paid</b>	<b>-4</b>	<b>-5</b>
<b>Free cash flow</b>	<b>-256</b>	<b>-409</b>

At €455 million, net cash used in financing activities was €17 million lower than in the previous year. Funds were borrowed, amongst other things, for the renewal of the intercontinental Express aircraft fleet. Cash and cash equivalents fell from €2,862 million as at 31 December 2019 to €2,578 million.

**Consolidated total assets down slightly**

The Group's total assets amounted to €52,147 million as at 31 March 2020, just below the level at 31 December 2019 (€52,169 million).

Non-current assets were at the same level as on the comparative reporting date. Other non-current assets rose from €395 million to €453 million because actuarial gains increased pension assets. In contrast, intangible assets declined by €69 million to €11,918 million, due mainly to a decrease in goodwill resulting from negative currency effects. Other current assets rose sharply from €2,598 million to €3,141 million. This figure includes the deferred expense of €282 million at the reporting date that was recognised for the prepaid annual contribution to civil servant pensions to *Bundesanstalt für Post und Telekommunikation*. Trade receivables declined by €206 million to €8,355 million. Cash and cash equivalents fell by €284 million to €2,578 million.

At €14,398 million, equity attributable to Deutsche Post AG shareholders was higher than at 31 December 2019 (€14,117 million). Consolidated net profit and actuarial gains from pension obligations increased this figure, whilst currency effects decreased it. Financial liabilities

rose from €16,974 million to €17,360 million, primarily as a result of higher lease liabilities of €178 million. Moreover, we took out loans amounting to €146 million to finance the renewal of our intercontinental Express aircraft fleet. Other current liabilities were also up, from €4,913 million to €5,325 million, due primarily to an increase in liabilities to employees, such as holiday entitlements. Trade payables, on the other hand, decreased significantly by €970 million to €6,255 million as at the reporting date.

**Net debt totals €14,061 million**

Our net debt rose from €13,367 million as at 31 December 2019 to €14,061 million as at 31 March 2020, mainly on account of the increase in financial liabilities.

**Net debt**

€m	31 Dec. 2019	31 March 2020
Non-current financial liabilities	13,708	14,405
+ Current financial liabilities	2,916	2,660
= <b>Financial liabilities<sup>1</sup></b>	<b>16,624</b>	<b>17,065</b>
- Cash and cash equivalents	2,862	2,578
- Current financial assets	394	425
- Positive fair value of non-current financial derivatives <sup>2</sup>	1	1
= <b>Financial assets</b>	<b>3,257</b>	<b>3,004</b>
<b>Net debt</b>	<b>13,367</b>	<b>14,061</b>

<sup>1</sup> Less operating financial liabilities.

<sup>2</sup> Recognised in non-current financial assets in the balance sheet.

## Divisions

### POST & PARCEL GERMANY DIVISION

#### Key figures, Post & Parcel Germany

€ m	Q1 2019 adjusted <sup>1</sup>	Q1 2020	+/- %
Revenue	3,814	3,959	3.8
of which Post Germany	2,077	2,125	2.3
Parcel Germany	1,145	1,258	9.9
International	554	540	-2.5
Other/Consolidation	38	36	-5.3
Profit from operating activities (EBIT)	227	334	47.1
Return on sales (%) <sup>2</sup>	6.0	8.4	-
Operating cash flow	-153	229	>100

<sup>1</sup> Reported figures adjusted to reflect new product structure.

<sup>2</sup> EBIT/revenue.

#### Revenue surpasses prior-year level

Division revenue was up 3.8% year-on-year to €3,959 million in the first quarter of 2020. The increase was driven by price increases in the German mail business and especially growth in parcel deliveries. In addition, revenue benefitted from an additional 0.6 working days compared with the prior-year period.

We have modified the reporting structure of the division so that revenues from transporting documents and goods across Germany's borders are now presented as International.

#### Performance varies between the different business units

Letter mail volumes were within the expected range until the middle of March, after which the decline accelerated due to COVID-19. Mail Communication revenues improved due to the previous year's postage rate increase and the transfer of revenue and volumes from non-promotional bulk mail items from Dialogue Marketing.

In contrast, Dialogue Marketing registered significant declines in both addressed and unaddressed mail. Since the middle of March, the downturn has been the result of pandemic-related revenue losses and cuts in advertising budgets.

The German parcel business saw moderate growth in volumes until mid-March, as expected. The higher volumes – supported by price increases – led to revenue growth of around 10% in the first quarter. Since the COVID-19-related restrictions imposed by the German government in the middle of March – particularly for retail sale – volumes have been well above the prior-year level and rose dramatically after the end of March.

With respect to the cross-border transport of documents and goods, business was volatile in the first few weeks of the year due to export restrictions imposed in parts of the world. Imports were heavily impacted by declines in volumes coming from China. Exports of goods and documents also registered progressive declines in both Europe and the rest of the world. All in all, revenue dropped in the latter part of the quarter in the wake of the spread of COVID-19 and the restrictions placed on movements of people and goods in addition to decreasing transport capacity.

#### Post & Parcel Germany: revenue

€ m	Q1 2019 adjusted <sup>1</sup>	Q1 2020	+/- %
Post Germany	2,077	2,125	2.3
of which Mail Communication	1,338	1,463	9.3
Dialogue Marketing	545	483	-11.4
Other/Consolidation (Post Germany)	194	179	-7.7
Parcel Germany	1,145	1,258	9.9

<sup>1</sup> Reported figures adjusted to reflect new product structure.

#### Post & Parcel Germany: volumes

Mail items (millions)	Q1 2019 adjusted <sup>1</sup>	Q1 2020	+/- %
Post Germany	4,125	3,846	-6.8
of which Mail Communication	1,735	1,766	1.8
Dialogue Marketing	2,080	1,834	-11.8
Parcel Germany	335	346	3.3

<sup>1</sup> Reported figures adjusted to reflect new product structure.

#### EBIT rises despite negative impact of COVID-19

Division EBIT surged 47.1% in the first quarter of 2020 to reach €334 million. The increase was attributable above all to higher revenues and strict cost management. In view of the accelerated revenue declines attributable to COVID-19 – especially in Dialogue Marketing – and additional expenses incurred to secure our operations, we are recording an overall impact of the pandemic on first-quarter earnings of €44 million.

## EXPRESS DIVISION

### Key figures, Express

€ m	Q1 2019	Q1 2020	+/- %
Revenue	3,971	4,150	4.5
of which Europe	1,809	1,875	3.6
Americas	818	909	11.1
Asia Pacific	1,380	1,462	5.9
MEA (Middle East and Africa)	294	314	6.8
Consolidation/Other	-330	-410	-24.2
Profit from operating activities (EBIT)	453	393	-13.2
Return on sales (%) <sup>1</sup>	11.4	9.5	-
Operating cash flow	657	683	4.0

<sup>1</sup> EBIT/revenue.

### Growth in revenues and volumes

Revenue in the division increased by 4.5% to €4,150 million in the first quarter of 2020. This figure includes currency losses of €3 million. Excluding these losses, the increase in revenue was 4.6%. The revenue figure also reflects the fact that fuel surcharges were higher in all regions compared with the previous year. Excluding currency effects and fuel surcharges, revenue was up by 3.5%.

The effects of COVID-19 were felt in the global express business in line with the spread of the pandemic. Although business in China already registered a noticeable recovery in March, business in Europe and North America experienced a trend at the end of the reporting period similar to that in China in February.

Per-day revenues and shipment volumes were up in both of our product areas during the reporting period.

### Express: revenue by product

€ m per day<sup>1</sup>

	Q1 2019	Q1 2020	+/- %
Time Definite International (TDI)	47.8	50.1	4.8
Time Definite Domestic (TDD)	4.6	4.8	4.3

<sup>1</sup> To improve comparability, product revenues were translated at uniform exchange rates. Product revenue is also taken as the basis for the weighted calculation of working days.

### Express: volume by product

Items per day (thousands)

	Q1 2019	Q1 2020	+/- %
Time Definite International (TDI)	949	955	0.6
Time Definite Domestic (TDD)	501	534	6.6

### Moderate volume growth in the Europe region

Revenue in the Europe region increased by 3.6% to €1,875 million in the first quarter of 2020. That figure includes foreign currency losses of €5 million; growth excluding currency effects was 3.9%. In the TDI product line, revenues per day increased by 2.3% and per-day volumes by 1.5%.

### TDI shipments up sharply in the Americas region

In the Americas region, revenue increased by 11.1% to €909 million in the first quarter of 2020. Excluding currency losses of €6 million, revenue rose by 11.9%. Per-day TDI volumes were up a strong 8.3% over the previous year. Per-day revenues grew by 6.1%.

### Operating business in the Asia Pacific region registers growth

In the Asia Pacific region, revenue improved by 5.9% to €1,462 million in the first quarter. No significant currency effects are included in that figure. In the TDI product line, per-day revenues rose by 6.3% whilst per-day volumes declined by 0.8%.

### MEA region also registers revenue growth

Revenue in the MEA (Middle East and Africa) region improved by 6.8% to €314 million in the reporting period. That figure includes foreign currency gains of €3 million. Excluding those currency effects, revenue increased by 5.8%. Per-day TDI revenues rose by 3.7% and per-day volumes decreased by 16.8%.

### EBIT declines at the beginning of the year due to the impact of the pandemic

Division EBIT dropped 13.2% to €393 million in the first quarter of 2020. The negative impact of the COVID-19 pandemic amounted to around €90 million.

## GLOBAL FORWARDING, FREIGHT DIVISION

### Key figures, Global Forwarding, Freight

€ m	Q1 2019	Q1 2020	+/- %
Revenue	3,762	3,608	-4.1
of which Global Forwarding	2,638	2,525	-4.3
Freight	1,157	1,111	-4.0
Consolidation/Other	-33	-28	15.2
Profit from operating activities (EBIT)	100	73	-27.0
Return on sales (%) <sup>1</sup>	2.7	2.0	-
Operating cash flow	52	-92	<-100

<sup>1</sup> EBIT/revenue.

### Earnings decline in the wake of COVID-19

The international air and ocean freight business was also impacted by the pandemic in the first quarter of 2020, with division revenue dropping 4.1% to €3,608 million. Excluding foreign currency losses of €17 million, revenue was 3.6% below the prior-year level. In the Global Forwarding business unit, revenue was down 4.3% to €2,525 million. The decline amounted to 3.9% excluding foreign currency losses of €9 million. The Global Forwarding business unit's gross profit declined from €604 million in the previous year to €590 million.

### Declining air and ocean freight volumes

We registered a decline of 10.7% in air freight volumes in the first quarter of 2020, due mainly to the decrease in market volumes as a result of COVID-19. Whereas business in China already saw a noticeable recovery in March, volume downturns are being seen at the end of the reporting period in Europe and North America in particular. Market capacity has suffered even more than volumes. First-quarter air freight revenues dropped 3.9%, whereas gross profit improved by 0.9%.

Ocean freight volumes were down 5.7% year-on-year, likewise due to the pandemic. Ocean freight revenues fell by 6.2% and gross profit by 5.8%. The share of revenue related to industrial project business and reported under Other remained nearly constant, at 33.1% (previous year: 33.9%). Gross profit from industrial projects improved by 2.5%.

### Global Forwarding: revenue

€ m	Q1 2019	Q1 2020	+/- %
Air freight	1,202	1,155	-3.9
Ocean freight	887	832	-6.2
Other	549	538	-2.0
<b>Total</b>	<b>2,638</b>	<b>2,525</b>	<b>-4.3</b>

### Global Forwarding: volumes

Thousands		Q1 2019	Q1 2020	+/- %
Air freight	tonnes	887	792	-10.7
of which exports	tonnes	495	448	-9.5
Ocean freight	TEU <sup>1</sup>	752	709	-5.7

<sup>1</sup> Twenty-foot equivalent units.

### Lower revenue from European overland transport business

Revenue in the Freight business unit decreased by 4.0% to €1,111 million in the first quarter of 2020, due in part to foreign currency losses of €8 million and negative effects from COVID-19. The 1.6% volume growth was driven in part by B2C business in Scandinavia. The business unit's gross profit declined slightly by 2.1% to €282 million.

### First-quarter dip in EBIT

Division EBIT fell from €100 million to €73 million in the first quarter of 2020. The negative effects of the COVID-19 pandemic amounted to €33 million.



## SUPPLY CHAIN DIVISION

### Key figures, Supply Chain

€ m	Q1 2019 adjusted <sup>1</sup>	Q1 2020	+/- %
Revenue	3,292	3,229	-1.9
of which EMEA (Europe, Middle East and Africa)	1,714	1,643	-4.1
Americas	1,063	1,144	7.6
Asia Pacific	521	448	-14.0
Consolidation/Other	-6	-6	0.0
Profit from operating activities (EBIT)	486	105	-78.4
Return on sales (%) <sup>2</sup>	14.8	3.3	-
Operating cash flow	-87	-29	66.7

<sup>1</sup> Prior-year figures adjusted due to reclassifications.

<sup>2</sup> EBIT/revenue.

### Revenue trend suffers from business divestitures and coronavirus pandemic

Revenue in the division was down by 1.9% to €3,229 million in the first quarter of 2020. In addition to business divestitures, the decline included the effects of the COVID-19 pandemic in March. Excluding those factors and foreign currency losses amounting to €5 million, business improved in nearly all regions during the first quarter.

The Americas region registered growth in almost all sectors. However, most sectors in the EMEA and Asia Pacific regions were negatively impacted by COVID-19. Current statistics indicate that the automotive and fashion sectors have experienced a serious downturn due to production halts and the drop in demand resulting from the pandemic, whereas the food industry and the health sector have seen positive effects.

### Supply Chain: revenue by sector and region, Q1 2020

Total revenue: €3,229 million

of which Retail	28%
Consumer	23%
Auto-mobility	15%
Technology	12%
Life Sciences & Healthcare	10%
Engineering & Manufacturing	6%
Others	6%
of which Europe/Middle East/Africa/Consolidation	51%
Americas	35%
Asia Pacific	14%

### New business worth around €135 million secured

In the first quarter of 2020, the division concluded additional contracts worth around €135 million in annualised revenue with both new and existing customers. The Auto-mobility, Retail and Consumer sectors accounted for the majority of the new business. The annualised contract renewal rate remained at a consistently high level.

### Solid earnings growth detracted by pandemic

EBIT in the division dropped to €105 million in the first quarter of 2020 (previous year: €486 million). In the same period last year, EBIT was impacted by the sale of our business in China totalling €426 million and strategic cost initiatives totalling €58 million. The pandemic led to additional losses totalling €31 million in the first quarter of 2020, especially in Europe.

## ECOMMERCE SOLUTIONS DIVISION

### Key figures, eCommerce Solutions

€ m	Q1 2019	Q1 2020	+/- %
Revenue	999	996	-0.3
of which Americas	283	297	4.9
Europe	579	570	-1.6
Asia	139	131	-5.8
Other/Consolidation	-2	-2	0.0
Profit/loss from operating activities (EBIT)	-28	6	>100
Return on sales (%) <sup>1</sup>	-2.8	0.6	-
Operating cash flow	21	85	>100

<sup>1</sup> EBIT/revenue.

### Slight first-quarter revenue decline

Division revenue came to €996 million in the first quarter of 2020, nearly reaching the prior-year figure of €999 million. The impact of COVID-19 varied greatly from region to region. Although B2C business was up across the board, the increase was unable to compensate for the heavy declines in B2B volumes and additional costs, above all in Spain and India. Whereas revenue increased in the Americas region, it was down moderately in Europe and noticeably in Asia. Excluding foreign currency gains of €9 million, revenue fell by 1.2% year-on-year. The decrease was also attributable to portfolio adjustments totalling €50 million in the first quarter of 2019; excluding these, revenue rose by 4.0% in the first quarter of 2020 compared with the prior-year period.



### **Improvement in EBIT after prior-year restructuring expenditures**

Division EBIT increased to €6 million in the first quarter of 2020 (previous year: €-28 million). EBIT for the first quarter of 2019 was diminished mainly by net restructuring expenses of €23 million, incurred amongst other things for portfolio optimisation, overhead reductions and loss allowances. The negative effects of the pandemic on division earnings amounted to €12 million in the first quarter of 2020.

### **Changes in expected developments**

#### **Measures to contain the spread of COVID-19 yield first results; risk of a second wave remains**

The current global economic cycle continues to be dominated by the COVID-19 pandemic. In its forecast dated 15 April 2020, IHS Markit projected a 3.0% decline in global economic activity in 2020. The forecast assumes that the restrictions put in place to contain the pandemic will be lifted in key industrial markets in the second half of 2020, followed by a gradual return to normal business activity, including transport and logistics. However, a second, strong, global wave of the contagious disease would lead to a resumption of containment measures. A renewed, even steeper global recession would follow.

In view of the uncertainty surrounding the impact of the pandemic on the global economy, on 7 April 2020 the Group withdrew its EBIT forecast for the current financial year. However, the Group confirmed its medium-term guidance of EBIT of at least €5.3 billion in 2022. The cumulative guidance for capex and free cash flow from 2020 to 2022 remains in effect as well, albeit subject to reservations relating to the still-to-be quantified impact of COVID-19 on free cash flow in the current year.

In addition to the EBIT forecast, we have also cancelled all other forecast elements relating to the current year, such as those to capex. We are reiterating the remaining statements made under “Expected financial position” [📍 on page 62 of the 2019 Annual Report](#) with respect to the full year 2020.

The risk posed by the effects of COVID-19 is high overall. Additional information can be found under [➤ Divisions](#). We have, meanwhile, assessed the aggregate impact of foreign currency translation as presenting a risk of medium significance.

The Group's overall opportunity and risk situation did not otherwise change significantly during the first quarter of 2020 compared with the situation described in the [📍 2019 Annual Report beginning on page 63](#). Based upon the Group's early warning system and in the estimation of its Board of Management, there were no identifiable risks for the Group in the current year which, individually or collectively, cast doubt upon the Group's ability to continue as a going concern. Nor are any such risks apparent in the foreseeable future.

# INCOME STATEMENT

1 January to 31 March

€m

	2019	2020
Revenue	15,353	15,487
Other operating income	930	422
Changes in inventories and work performed and capitalised	90	20
Materials expense	-7,814	-7,710
Staff costs	-5,430	-5,528
Depreciation, amortisation and impairment losses	-883	-1,021
Other operating expenses	-1,086	-1,077
Net loss from investments accounted for using the equity method	-1	-1
<b>Profit from operating activities (EBIT)</b>	<b>1,159</b>	<b>592</b>
Financial income	52	85
Finance costs	-211	-207
Foreign currency losses	-5	-29
<b>Net finance costs</b>	<b>-164</b>	<b>-151</b>
<b>Profit before income taxes</b>	<b>995</b>	<b>441</b>
Income taxes	-219	-106
<b>Consolidated net profit for the period</b>	<b>776</b>	<b>335</b>
attributable to Deutsche Post AG shareholders	746	301
attributable to non-controlling interests	30	34
<b>Basic earnings per share (€)</b>	<b>0.60</b>	<b>0.24</b>
<b>Diluted earnings per share (€)</b>	<b>0.60</b>	<b>0.24</b>

# BALANCE SHEET

€m

	31 Dec. 2019	31 March 2020
<b>ASSETS</b>		
Intangible assets	11,987	11,918
Property, plant and equipment	21,303	21,313
Investment property	25	24
Investments accounted for using the equity method	123	127
Non-current financial assets	759	706
Other non-current assets	395	453
Deferred tax assets	2,525	2,569
<b>Non-current assets</b>	<b>37,117</b>	<b>37,110</b>
Inventories	396	312
Current financial assets	394	425
Trade receivables	8,561	8,355
Other current assets	2,598	3,141
Income tax assets	232	226
Cash and cash equivalents	2,862	2,578
Assets held for sale	9	0
<b>Current assets</b>	<b>15,052</b>	<b>15,037</b>
<b>TOTAL ASSETS</b>	<b>52,169</b>	<b>52,147</b>

	31 Dec. 2019	31 March 2020
<b>EQUITY AND LIABILITIES</b>		
Issued capital	1,236	1,235
Capital reserves	3,482	3,539
Other reserves	-700	-863
Retained earnings	10,099	10,487
Equity attributable to Deutsche Post AG shareholders	14,117	14,398
Non-controlling interests	275	294
<b>Equity</b>	<b>14,392</b>	<b>14,692</b>
Provisions for pensions and similar obligations	5,102	5,013
Deferred tax liabilities	56	42
Other non-current provisions	1,650	1,670
Non-current financial liabilities	13,736	14,433
Other non-current liabilities	360	362
<b>Non-current provisions and liabilities</b>	<b>20,904</b>	<b>21,520</b>
Current provisions	964	921
Current financial liabilities	3,238	2,927
Trade payables	7,225	6,255
Other current liabilities	4,913	5,325
Income tax liabilities	519	507
Liabilities associated with assets held for sale	14	0
<b>Current provisions and liabilities</b>	<b>16,873</b>	<b>15,935</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>52,169</b>	<b>52,147</b>

# CASH FLOW STATEMENT

1 January to 31 March

€m

	2019	2020
Consolidated net profit for the period	776	335
Income taxes	219	106
Net finance costs	164	151
<b>Profit from operating activities (EBIT)</b>	<b>1,159</b>	<b>592</b>
Depreciation, amortisation and impairment losses	883	1,021
Net loss/income from disposal of non-current assets	-474	26
Non-cash income and expense	-45	70
Change in provisions	-112	-26
Change in other non-current assets and liabilities	41	-7
Dividend received	1	0
Income taxes paid	-184	-168
<b>Net cash from operating activities before changes in working capital</b>	<b>1,269</b>	<b>1,508</b>
<b>Changes in working capital</b>		
Inventories	-65	84
Receivables and other current assets	-829	-627
Liabilities and other items	-123	-215
<b>Net cash from operating activities</b>	<b>252</b>	<b>750</b>
Subsidiaries and other business units	657	0
Property, plant and equipment and intangible assets	48	26
Other non-current financial assets	15	13
Proceeds from disposal of non-current assets	720	39
Subsidiaries and other business units	0	0
Property, plant and equipment and intangible assets	-634	-597
Investments accounted for using the equity method and other investments	-9	-5
Other non-current financial assets	-1	-5
Cash paid to acquire non-current assets	-644	-607
Interest received	16	18
Current financial assets	-2	9
<b>Net cash from/used in investing activities</b>	<b>90</b>	<b>-541</b>

	2019	2020
Proceeds from issuance of non-current financial liabilities	166	156
Repayments of non-current financial liabilities	-477	-488
Change in current financial liabilities	-53	42
Other financing activities	16	1
Cash paid for transactions with non-controlling interests	0	-4
Dividend paid to non-controlling interest shareholders	-3	-7
Purchase of treasury shares	0	-30
Interest paid	-121	-125
<b>Net cash used in financing activities</b>	<b>-472</b>	<b>-455</b>
<b>Net change in cash and cash equivalents</b>	<b>-130</b>	<b>-246</b>
Effect of changes in exchange rates on cash and cash equivalents	41	-38
Changes in cash and cash equivalents associated with assets held for sale	33	0
Cash and cash equivalents at beginning of reporting period	3,017	2,862
<b>Cash and cash equivalents at end of reporting period</b>	<b>2,961</b>	<b>2,578</b>

## Segments by division

1 January to 31 March

€m	Post & Parcel Germany <sup>1</sup>		Express		Global Forwarding, Freight		Supply Chain <sup>1</sup>		eCommerce Solutions		Corporate Functions		Consolidation <sup>1,2</sup>		Group	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
External revenue	3,717	3,859	3,876	4,059	3,523	3,374	3,268	3,205	936	965	33	25	0	0	15,353	15,487
Internal revenue	97	100	95	91	239	234	24	24	63	31	307	344	-825	-824	0	0
Total revenue	3,814	3,959	3,971	4,150	3,762	3,608	3,292	3,229	999	996	340	369	-825	-824	15,353	15,487
Profit/loss from operating activities (EBIT)	227	334	453	393	100	73	486	105	-28	6	-79	-320 <sup>3</sup>	0	1	1,159	592
of which net income/loss from investments accounted for using the equity method	0	0	1	1	0	0	0	1	-1	-2	-1	-1	0	0	-1	-1
Segment assets <sup>4</sup>	5,904	6,146	15,640	15,712	8,714	8,785	7,898	7,861	1,723	1,668	5,495	5,397	-83	-81	45,291	45,488
of which investments accounted for using the equity method	0	0	34	37	22	23	14	15	32	33	21	20	0	-1	123	127
Segment liabilities <sup>4</sup>	2,707	2,784	3,801	3,577	3,058	2,922	3,144	2,757	629	615	1,530	1,585	-62	-61	14,807	14,179
Net segment assets/liabilities <sup>4</sup>	3,197	3,362	11,839	12,135	5,656	5,863	4,754	5,104	1,094	1,053	3,965	3,812	-21	-20	30,484	31,309
Capex (assets acquired)	85	72	121	173	26	21	75	96	39	11	102	81	0	-1	448	453
Capex (right-of-use assets)	26	2	219	377	35	53	152	308	18	35	130	63	0	0	580	838
Total capex	111	74	340	550	61	74	227	404	57	46	232	144	0	-1	1,028	1,291
Depreciation and amortisation	73	73	313	345	63	62	217	231	49	42	161	252	1	0	877	1,005
Impairment losses	0	0	0	0	0	0	1	0	5	3	0	13	0	0	6	16
Total depreciation, amortisation and impairment losses	73	73	313	345	63	62	218	231	54	45	161	265	1	0	883	1,021
Other non-cash income (-) and expenses (+)	52	83	51	107	16	28	88	52	16	6	6	58	0	0	229	334
Employees <sup>5</sup>	157,502	155,431	96,184	98,398	43,956	43,730	156,700	156,926	31,415	29,262	12,655	12,802	0	0	498,412	496,549

<sup>1</sup> Prior-period amounts adjusted. <sup>2</sup> Including rounding. <sup>3</sup> Of which StreetScooter €-234 million (previous year: €-19 million). <sup>4</sup> As at 31 December 2019 and 31 March 2020. <sup>5</sup> Average FTEs.

### Adjustment of prior-period amounts

Effective as of 1 January 2020, the fulfilment activities of Home Delivery GmbH were transferred from the Post & Parcel Germany segment to the Supply Chain division. The prior-period amounts have been adjusted accordingly.

**Reconciliation**

€ m	Q1 2019	Q1 2020
Total income of reported segments	1,238	911
Corporate Functions	-79	-320
Reconciliation to Group/Consolidation	0	1
<b>Profit from operating activities (EBIT)</b>	<b>1,159</b>	<b>592</b>
Net finance costs	-164	-151
<b>Profit before income taxes</b>	<b>995</b>	<b>441</b>
Income taxes	-219	-106
<b>Consolidated net profit for the period</b>	<b>776</b>	<b>335</b>

**Earnings per share****Basic earnings per share**

		Q1 2019	Q1 2020
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	746	301
Weighted average number of shares outstanding	number	1,232,879,764	1,235,054,732
<b>Basic earnings per share</b>	<b>€</b>	<b>0.60</b>	<b>0.24</b>

**Diluted earnings per share**

		Q1 2019	Q1 2020
Consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	746	301
Plus interest expense on the convertible bond	€m	2	2
Less income taxes <sup>1</sup>	€m	0	0
Adjusted consolidated net profit for the period attributable to Deutsche Post AG shareholders	€m	748	303
Weighted average number of shares outstanding	number	1,232,879,764	1,235,054,732
Potentially dilutive shares	number	21,206,525	21,503,815
Weighted average number of shares for diluted earnings	number	1,254,086,289	1,256,558,547
<b>Diluted earnings per share</b>	<b>€</b>	<b>0.60</b>	<b>0.24</b>

<sup>1</sup> Rounded below €1 million.**Issued capital and treasury shares**

KfW Bankengruppe (KfW) held 20.53% of the shares as at 31 March 2020. Free float accounted for 79.26% of the shares and the remaining 0.21% of shares are owned by Deutsche Post AG.

**Changes in issued capital and treasury shares**

€ m	2019	2020
<b>Issued capital</b>		
Balance at 1 January	1,237	1,237
Addition due to contingent capital increase	0	0
<b>Balance at 31 December/31 March</b>	<b>1,237</b>	<b>1,237</b>
<b>Treasury shares</b>		
Balance at 1 January	-4	-1
Purchase of treasury shares <sup>1</sup>	0	-1
Issue/sale of treasury shares	3	0
<b>Balance at 31 December/31 March</b>	<b>-1</b>	<b>-2</b>
<b>Total at 31 December/31 March</b>	<b>1,236</b>	<b>1,235</b>

<sup>1</sup> Rounded below €1 million in the previous year.

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### PUBLICATION

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The English version of the quarterly statement as at 31 March 2020 of Deutsche Post DHL Group constitutes a translation of the original German version. Only the German version is legally binding, insofar as this does not conflict with legal provisions in other countries. Deutsche Post Corporate Language Services et al.

## FINANCIAL CALENDAR

### 2020

2020 Annual General Meeting  
Dividend payment  
Results of the first half of 2020  
Results of the first nine months of 2020

**Date pending**  
**Date pending**  
**5 August**  
**10 November**

### 2021

Results of financial year 2020

**9 March**

Other dates, revised dates and information regarding live webcasts:

@ [dpdhl.com/en/investors](https://www.dpdhl.com/en/investors)

### BASIS OF REPORTING

The document at hand is a quarterly statement pursuant to section 53 of the *Börsenordnung für die Frankfurter Wertpapierbörse* (BörsO FWB – exchange rules for the Frankfurt Stock Exchange), as amended on 18 November 2019. It is not an interim report as defined in International Accounting Standard (IAS) No. 34. The accounting policies applied to this quarterly statement generally derive from the same accounting policies as used in the preparation of the consolidated financial statements for financial year 2019, with the exception of the new pronouncements required to be applied as at the beginning of the year. However, those standards had no material impact on the financial statements.

This quarterly statement contains forward-looking statements. Forward-looking statements are not historical facts. They also include statements concerning assumptions and expectations. These statements are based upon current plans, estimates and projections, and the information available to Deutsche Post AG at the time this quarterly statement was completed. They should not be considered to be assurances of the future performance and results contained therein. Instead, they depend on a number of factors and are subject to various risks and uncertainties (particularly those described in the “Changes in expected developments” section) and are based on assumptions that may prove to be inaccurate. It is possible that actual performance and results may differ from the forward-looking statements made in this quarterly statement. Deutsche Post AG assumes no obligation beyond the statutory requirements to update the forward-looking statements made in this quarterly statement. If Deutsche Post AG updates one or more forward-looking statements, no assumption can be made that the statement(s) in question or other forward-looking statements will be updated regularly.