

DPDgroup announces record year of growth and 5-year strategy

Paris, 1 March 2021 — Today DPDgroup reveals its 2020 results and announces its strategy for the next 5 years. Amidst the unprecedented COVID-19 pandemic, DPDgroup has become an essential ally in the delivery of vital goods for customers and businesses alike, resulting in a 42% increase in revenue growth compared to 2019. By 2025, DPDgroup aims to expand core activities, accelerate initiatives and conquer new horizons, through its plan named “Together & beyond.”

I) 2020: DPDgroup has broken all records, leading to incredible figures

- €11 billion in revenue, a 42% growth vs. 2019
- 35% of Le Groupe La Poste’s revenue originated from DPDgroup in 2020
- 1.9 billion parcels delivered worldwide, equivalent to 7.5 million per day (an increase of half a billion parcels vs. 2019)
- Record peak day of 13.9 million parcels handled worldwide on Cyber Monday (30 November 2020)
- More than half (55%) of the parcels delivered worldwide were B2C (+57% organic growth vs. 2019)
- Doubling of profits from 2019 (€800 million)
- Full integration of BRT in Italy and Jadlog in Brazil

COVID-19: an unexpected surge of volumes with key learnings

Covid 19 led to an unexpected surge for the parcel industry. **Countrywide lockdowns, self-isolation and preventative measures prompted a soar in deliveries**, with half a billion more parcels delivered by DPDgroup in 2020 as compared to 2019.

The health crisis also caused customer trends expected for 2024 to surface far in advance, such as a heightened **urban logistics demand** and a greater sense of **environmental responsibility**.

With the soar experienced in urban logistics, Stuart, the technological platform for express urban delivery, made 19.7 million deliveries in France, Poland, Spain and the UK, +75% vs. 2019.

The market also noticed a **significant shift towards B2C. At DPDgroup, 55% are now 2C volumes.**

Additionally, specific delivery categories such as **food and healthcare** experienced unprecedented demand. In France, for example, Chronofresh more than doubled volumes reaching +115%.

Regarding healthcare, DPDgroup subsidiaries have been and still are very active. For example, thousands of vaccine doses have already been delivered in France by Chronopost, in Spain by Tipsa and in South Africa by Biocair.

Boris Winkelmann, Chairman of GeoPost/DPDgroup, Executive Vice President of Le Groupe La Poste, states:

“At DPDgroup, we have demonstrated the resilience, flexibility and agility expected of an organisation our size. These qualities helped us keep the world in motion during the pandemic, quickly creating and adopting new practices and coping with increased volumes efficiently. These strengths will be key in seizing the new opportunities that lie ahead.”

2020: DPDgroup’s main achievements and expansion

Along with trends, volumes also witnessed an acceleration, requiring swift adaptation to ensure the safe continuation of operations.

DPDgroup was the first delivery company to implement **contactless delivery**, deciding to keep service active within Pickup (its parcel shop network), and **opened more than 70 new hubs & depots** to reach a total of 1,200.

Furthermore, **over 20,000 direct and indirect employees were added** to the network to keep up with volumes.

In this context of high demand, DPDgroup’s volumes grew by 24% and revenue by 23% in organic growth.

DPDgroup reported a particularly strong increase in volumes in countries where B2C was already representing the most important share of activity: Brazil (+80%), Ireland (+47%), the UK (+39%), Russia (32%), Poland (+24%), Spain (+23%). In countries where the share of B2B remains more important, the total growth has been impacted by the economic slowdown affecting B2B businesses: France (+9% by DPD and +13% by Chronopost), Germany (+13%).

Several key developments took place in the year 2020, such as the **takeover of BRT** (85%), Italy’s leading parcel delivery company, **Geis Parcel**, logistics company in the Czech Republic and Slovakia, and an increase to 98% capital in Brazil’s leading parcel delivery player **Jadlog**.

II) “Together & beyond”: DPDgroup’s strategy to expand core activities, accelerate initiatives and conquer new horizons

DPDgroup has a very clear objective for 2030: to become the international reference in sustainable delivery and a leading enabler of the e-commerce acceleration by building on three pillars.

In terms of revenue, DPDgroup aims to double its 2020 revenue to achieve €21 billion by 2025.

- **Expanding core activities:**

DPDgroup is the current leading **B2B** player in Europe, as well as the leading **European road network** with around 25% share in volumes.

The aim is therefore to bolster DPDgroup’s position as leader in both segments of business in a context of tougher competition and economic slowdown. DPDgroup also wants to leverage its expertise to help customers manage their migration from B2B to B2C by becoming a European “one-stop shop” for B2B and B2C, especially in the small-medium-sized-enterprise segment.

The intra-EU cross-border strategy will further enhance day definite service proposition, door-to-door operational excellence and strengthen cross-border capacity management.

- **Accelerating initiatives:**

DPDgroup will continue to build on its current position to **become the most innovative premium X2C player in Europe with a 15% annual growth rate until 2025.**

DPDgroup will also develop a smart, selective mass market approach tailored to each country and push out-of-home (OOH) initiatives by densifying its parcel shop and locker network (Pickup network) and growing its presence in the burgeoning C2C segment. To support the ambition, DPDgroup plans to double its network to reach 90% European coverage (percentage of the European population having access to a Pickup point in less than 10 minutes), thereby offering the best coverage in Europe with 100,000 Pickup points, including 70,000 parcel shops and 30,000 lockers.

DPDgroup will continue to capitalise on healthcare and food services, leveraging its expertise in temperature-controlled delivery and its highly developed urban logistics network.

While DPDgroup already has a large stake in urban logistics, it wants to accelerate its development to be recognised as a leader in the industry with a strong offering relying on five high potential services: same day, urban hub-to-home deliveries, time slot evening deliveries, ship from store, grocery “proximity points” as an infrastructure for urban services and micro fulfilment capabilities to enable h+ delivery in urban areas.

- **Conquering new horizons:**

As the international parcel delivery markets outside of Europe will grow faster in the next decade than the European markets, DPDgroup aims to capture value from its existing intercontinental presence, while bolstering its position in South East Asia, Middle East, Africa and South America.

DPDgroup will evolve from a multidomestic network to an interconnected international network and aims to offer solutions for the intercontinental e-commerce market.

Beyond transport and delivery, such services will also encompass e-commerce platform solutions to accompany and enable our customers to take part in the e-commerce acceleration.

Asendia, the joint venture between Le Groupe La Poste and Swiss Post, already operates international e-commerce services and has developed complementary e-commerce capabilities with its participation in eShopWorld. By joining GeoPost/DPDgroup, both Asendia and DPDgroup will benefit from significant cross-selling opportunities and strengthen their position.

Capitalizing on international synergies, DPDgroup intends to increase the share of intercontinental business up to 20% of its total revenue by 2025.

DPDgroup will implement its strategy leveraging on data-science, innovation and customer-centricity. With such innovations as live tracking, Predict and Precise, DPDgroup has set standards for customer centred innovation in the last years. DPDgroup will continue to push for innovation and strengthening its data intelligence and data science capabilities, continuously aiming at improving customer experience and revenue management.

Committed to sustainability in all DPDgroup's actions

Sustainability is the foundation of DPDgroup's identity, and therefore each of these objectives will be pursued in conjunction with ambitious green innovation and environmental commitments, such as to reduce by 30% its CO₂ emissions per parcel by 2025 (vs. 2013).

DPDgroup believes it also has a role to play in making cities more breathable, as 30% of pollution is generated by urban logistics. Therefore, in October 2020, DPDgroup launched a plan to provide low-emission delivery in 225 European cities and 80 million Europeans by 2025. The ambition aims to reduce carbon emissions by 89% and pollutants by 80% in the cities concerned.

Federator model

DPDgroup wants to continue developing successfully by federating capabilities. In the last two decades, many successful partnerships have shaped the success of DPDgroup. DPDgroup will pursue the expansion of its footprint with a partnership based “Federator” model, to ensure local knowledge and expertise are always at the core.

Boris Winkelmann concludes the overall ambition and goal of DPDgroup:
“2020 had a profound and lasting impact on the e-commerce and logistics industry. I am proud of my team’s resiliency and success and believe we are better positioned than ever to become the international reference in sustainable delivery and a leading enabler of e-commerce. There are numerous opportunities to be seized, we can rely on our operational excellence and innovation spirit, so there is no limit to what we can achieve in 2025 together and beyond.”

About DPDgroup

DPDgroup is the largest parcel delivery network in Europe. We combine innovative technology and local knowledge to provide a flexible and user-friendly service for both shippers and shoppers. With our industry-leading Predict service, we are setting a new standard for convenience by keeping our customers in close contact with their delivery. With 97,000 delivery experts and a network of more than 58,000 Pickup points, we deliver 7.5 million parcels each day – 1.9 billion parcels per year – through the brands DPD, Chronopost, SEUR and BRT. At DPDgroup we aim to be a reference in sustainable delivery and become a leading enabler of the e-commerce acceleration. DPDgroup is the parcel delivery network of GeoPost, which posted sales of €11 billion in 2020. GeoPost is a holding company owned by Le Groupe La Poste.

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