

PRESS RELEASE
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Dachser pursues sustainable growth

Logistics provider reports 5.5 percent growth; European export business remains primary growth driver; new records in shipment, tonnage, and workforce



ATLANTA, GA, April 3, 2019 - Dachser posted substantial growth once again in 2018. The logistics provider increased its consolidated net revenue by 5.5 percent to EUR 5.57 billion (USD 6.58 bn). As they did last year, shipment numbers increased, rising by 2.5 percent to 83.7 million; tonnage rose 3.0 percent to 41.3 million metric tons. With 30,609 employees in total, up 1,511 from the preceding year, Dachser's workforce reached a record high.

The global logistics provider's growth was again boosted by economic conditions. However, certain challenges became increasingly apparent: the shortage of professional drivers and logistics operatives; potential capacity bottlenecks resulting from pronounced seasonal peaks and a shortage of load capacity; and growing uncertainty about diesel driving bans, Brexit, and the future of international trade relationships. "By 2018, it was clear that logistics had to focus on the discipline of scarce resources management," explains Bernhard Simon, CEO Dachser SE. "Against this backdrop, it is important to handle growth with purpose and manage it such that we maintain a healthy balance between quality, processes, and costs. Only sustainable growth will benefit our employees and customers."

Business development in detail

Dachser's **Road Logistics** business field—which comprises the transport and storage of industrial goods (European Logistics) and food (Food Logistics)—posted dynamic growth again in 2018 to increase its consolidated net revenue by 6.6 percent to EUR 4.47 billion.

The **European Logistics (EL)** business line posted the strongest growth with net revenue up 7.0 percent to EUR 3.55 billion. Shipments and tonnage each increased by 3.1 percent. “All four regional business units helped substantially strengthen the network. The network effects in the export business ensure that the EL business units continue to grow and mutually drive each other’s growth,” says Simon.

Dachser’s **Food Logistics** business line also posted robust revenue figures for 2018. Consolidated net revenue increased by 5.3 percent to EUR 917 million. The virtually unchanged number of shipments compared to the previous year was offset by tonnage growth of 2.0 percent. “We continue to pursue our quality strategy, and it is paying off. Dachser Food Logistics has seen positive development for many years now and is generating growth with national transports and contract logistics. We have also seen encouraging growth rates in cross-border transports,” reports Simon. “On the downside, the shortage of freight space and drivers plus seasonal fluctuations in volume are hitting this segment hard.”

The **Air & Sea Logistics** business field again proved to be volatile. As a result of exchange-rate effects, decreasing freight rates, and a downturn in volume on the China-Europe route, consolidated net revenue stagnated at around EUR 1.19 billion. A 2.9 percent decrease in the number of shipments was offset by tonnage growth—most notably in sea freight—of 6.6 percent. “By 2020, we aim to replace all isolated solutions with our Othello transport management system, which we developed in-house. In 2018, we completed the rollout of the system in China to mark a major milestone in this project,” Simon explains. “The key to sustainable growth in air and sea freight lies in mastering and managing complex interfaces and the deep integration of our logistics systems. As we have seen with European overland transport, our investments in integration and standardization will pay off here, too.”

Investment in network and personnel

In times of scarce resources, investment in personnel, capacities, and innovations is critical to Dachser’s continued growth. In 2018, the company invested EUR 126 million in logistics facilities, IT systems, and technical equipment. For 2019, the company has earmarked EUR 234 million for this purpose. Dachser also places a strong focus on training, an approach that has proved very successful, particularly for professional drivers. “At present, we have 207 people training to become professional drivers through Dachser Service & Ausbildungs GmbH, which makes us one of the largest driver training centers in Germany. Our next step is to broaden our focus to include logistics operatives in transit terminals and warehouses,” Simon says.

Overview of net revenue:

| Net revenue (in EUR millions) | 2018 | 2017 | Change |
|---|--------------|--------------|--------------|
| Road Logistics | 4,465 | 4,187 | +6.6% |
| European Logistics | 3,548 | 3,316 | +7.0% |
| Food Logistics | 917 | 871 | +5.3% |
| Air & Sea Logistics | 1,185 | 1,190 | -0.4% |
| Consolidation (deducting revenue from company interests of 50% and lower) | -80 | -98 | |
| Group | 5,570 | 5,280 | +5.5% |

Overview of gross revenue, incl. duties and import tax:

| Gross revenue (in EUR millions) | 2018 | 2017 | Change |
|---|--------------|--------------|--------------|
| Road Logistics | 4,741 | 4,441 | +6.8% |
| European Logistics | 3,824 | 3,570 | +7.1% |
| Food Logistics | 917 | 871 | +5.3% |
| Air & Sea Logistics | 1,835 | 1,785 | +2.8% |
| Consolidation (deducting revenue from company interests of 50% and lower) | -83 | -107 | |
| Group | 6,493 | 6,118 | +6.1% |

Development in the United States

DACHSER SE's subsidiary, DACHSER USA Air & Sea Logistics Inc.'s revenue increased by 11.9 percent to \$221 million in 2018.

"We had a strong fourth quarter as a result of companies planning their shipments ahead of the scheduled Q1 2019 tariffs," said Guido Gries, Managing Director, Dachser Americas. "Also the opening of the Detroit office in 2018 as well as the addition of offices in Minneapolis and Baltimore the years prior contributed to this growth."

In 2019, Dachser will continue its commitment to be a quality place to work, creating an environment that provides a worthwhile career path that keeps employees challenged and motivated. Bringing on new talent is important as well, so Dachser USA is working with programs such as USC's Marshall School of Business Supply Chain Management program in Los Angeles to identify recent graduates who could benefit from Dachser's programs designed to promote employees' growth and development throughout the family-owned organization.

"Being a family-owned company creates a sense of loyalty and personal commitment from our employees, and we believe strongly in treating them well in return," said Mr. Gries. "Another advantage of being a family-owned company is that we do not have the pressures of a public company to respond to market fluctuations, which allows us to develop and stay focused on long-term growth strategies rather than quarterly earnings."

Long term, Dachser USA will look to maintain and grow its local network, which is critical to the continued growth of the business. According to Mr. Gries, "All key markets globally are well represented in our network, which is a strength that is needed to support growth. The more our entire network grows, the more value it presents to our customers. We plan to grow our network in the Americas region by 12-14% this year."

Along with growing the network, Dachser will continue to invest in new state-of-the-art technology as it finalizes the global roll-out of its transportation management system, which provides its customers with one-stop-shop connectivity and visibility of their entire supply chain. Providing end-to-end visibility is a key element in Dachser's enhanced customer service strategy. Additionally, Dachser will focus on providing dedicated customer service teams to address the complicated automotive and pharmaceutical sectors, each of which require a sophisticated knowledge of the industry. This program was successfully launched in Mexico and will be expanded into the U.S. in 2019 as part of the overall growth strategy.

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About Dachser USA Air & Sea Logistics: Founded in 1974, Dachser USA Air & Sea Logistics Inc. is the U.S. subsidiary of German-headquartered Dachser SE. The company is a leading global logistics provider employing 30,600 professionals in 399 locations and handling 83.7 million shipments annually. Dachser USA Air & Sea Logistics is headquartered in Atlanta with locations in Atlanta, Baltimore, Boston, Charlotte, Chicago, Cincinnati, Dallas, Detroit, Houston, Los Angeles, Miami, Minneapolis, New York and Phoenix. Dachser USA Air & Sea Logistics offers optimal access to international markets and ensures seamless integration of all import and export activities via air or ocean to and from Europe, Asia and South America. For more information, visit www.dachser.us.