

Press release

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

Kempton, Munich. April 2, 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. 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%

About Dachser:

Thanks to some 30,600 employees at 399 locations all over the globe, Dachser generated consolidated net revenue of approximately EUR 5.6 billion in 2018. That same year, the logistics provider handled a total of 83.7 million shipments weighing 41.3 million metric tons. Country organizations represent Dachser in 44 countries. For more information about Dachser, please visit www.dachser.com