

Third quarter bears e-commerce boon for Deutsche Post

FRANKFURT - Logistics provider Deutsche Post beat expectations on Tuesday by delivering strong third-quarter results, with online shopping continuing to bolster its bottom line.



Deutsche Post recorded a 318 million euros net profit between July and September, 12 times higher than the same period in 2015 ([AFP Photo/Patrik Stollarz](#))

Between July and September, the Bonn-based group -- which also owns courier service DHL -- booked 618 million euros (\$684 million) in net profit, 12 times higher than the same period in 2015 when one-off restructuring costs pushed profits down to 49 million.

Analysts had predicted the bottom line would fall back slightly after Deutsche Post's record 541-million-euro result in the second quarter.

Revenues did shrink by almost 4.0 percent to just under 14 billion euros, with the group blaming currency effects, low fuel surcharges and accounting changes in a major client contract.

Meanwhile, the group said it had set another record with its strongest-ever third-quarter operating profit before interest and taxes of 755 million euros.

"Thanks to the targeted investments and strategic initiatives we implemented in prior years, we are now enjoying success despite weak economic tailwind," chief executive Frank Appel said in a statement.

With its DHL division competing with American firms like FedEx and UBS, Deutsche Post continued to reap the benefit of consumers' love of online shopping and expanding appetite for its express delivery service.

The parcel division saw revenues expand by 11.6 percent in the third quarter to 1.7 billion euros.

Traditional postal services in home market Germany suffered from falling volumes, although the group increased stamp prices at the start of 2016 to mostly balance the effect out.

Deutsche Post confirmed its forecasts for the year, targeting a 'significantly increasing' operating profit for the whole of 2016 of between 3.4 and 3.7 billion euros.

The group said it would increase its operating profit by "more than eight percent annually" on average between 2013 and 2020.

It has been expanding at home and abroad, most recently snapping up British private postal service UK Mail in September for around 280 million euros -- giving it a foothold in Europe's biggest market for online shopping.

Source: AFP

For more, visit: <https://www.bizcommunity.com>