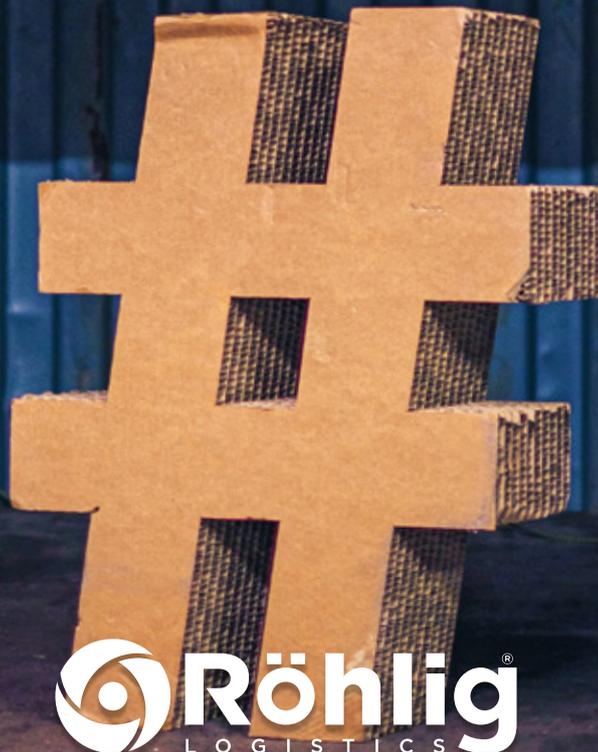


C O N N E C T E D

RÖHLIG ANNUAL REPORT 2021



 **Röhlig**[®]
LOGISTICS

CONNECTED

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RÖHLIG LOGISTICS

We are an owner-operated independent logistics company with 2,300 employees worldwide.

We serve our customers by developing tailor-made solutions in the areas of air freight, sea freight and contract logistics. We have a global network of offices in more than 30 countries across all continents, and we combine the professionalism of a large enterprise with the values of a family-run company.

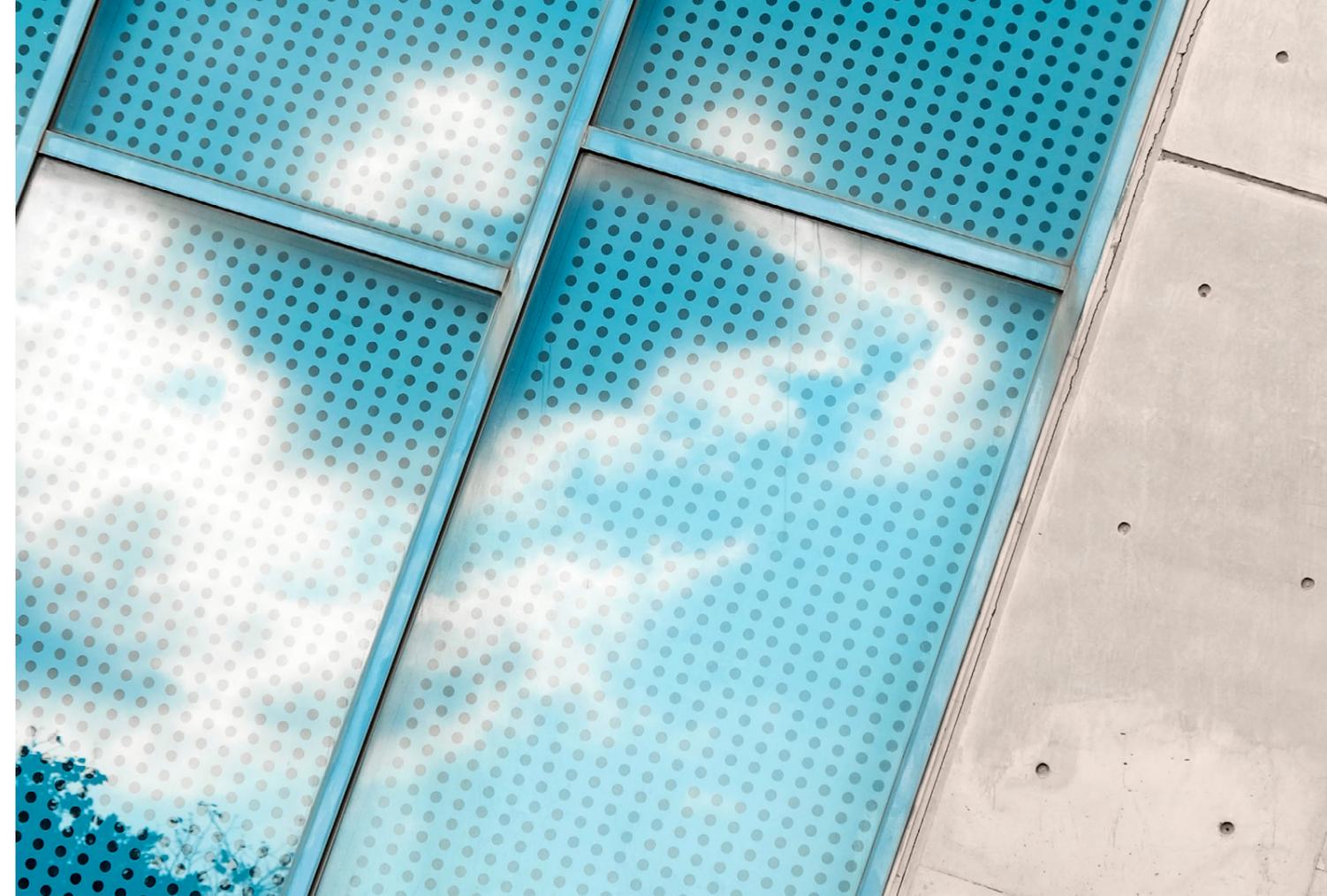
KEY PERFORMANCE FIGURES

in EUR m	2021	2020
Gross sales	1,516.1	902.6
Net sales	1,193.0	650.0
Gross profit	214.3	140.4
EBIT	61.4	11.8
Total assets	328.8	177.0



ANNUAL REPORT
VIDEO 2021:
The strongest result
in the company's
history





DEAR VALUED CUSTOMERS, BUSINESS PARTNERS AND EMPLOYEES,

Logistics is all about teamwork. Our 2021 demonstrated that fact in a profound way: thanks to the outstanding commitment of our 2,300 employees all over the world, we achieved the best result in Röhlig Logistics history!

We achieved significant growth in all sectors and virtually all markets, as well as double-digit increases in our sales and net income. This success is all the more significant considering the extraordinary circumstances under which it was achieved.

On the one hand there was the coronavirus pandemic, which continued to define our professional and private lives in 2021. Our own employees and their families were not spared from the consequences of this illness; there is no doubt for me personally that the most abiding and deeply felt memories from the last year concern the deaths from coronavirus that were experienced among our staff.

At the same time, 2021 saw our team faced with the challenge of operating within a logistics market that was nothing short of crazy. Truck driver shortages affected multiple continents. The coronavirus-related cancellation of numerous passenger flights drastically reduced freight capacity. At the same time, a number of unusual developments converged within the sea freight sector: prices exploded, the Suez Canal was blocked for days, entire harbours in China were shut down due to the pandemic and tailbacks of ships accrued at various US harbours.

With our short decision chains, SME hierarchies and proximity to our customers, we were able to tackle these sometimes chaotic circumstances with greater flexibility than many of our larger competitors. It was often possible for us to change shipments at short notice and to develop pragmatic alternative plans.

However, 2021 was not solely about us responding to external circumstances; we also pressed on with our Blue Star strategic programme and seized numerous opportunities. For example, we strengthened our global presence by opening new sites in Berlin, Dubai, Hyderabad and Vizag. We also progressed further towards our goal of becoming the most effectively digitised logistics service provider at SME level. Our logineer and cargonerds joint ventures support SMEs with the digitisation of workstations and the rollout of digital product innovations.

We have also established strong partnerships in the area of contract logistics. We set up the Röhlig Penske Logistics joint venture in conjunction with Penske Logistics. With sites in Germany and the Netherlands encompassing 55,000 square metres of warehouse space, teamed with professional e-commerce logistics

expertise, Röhlig Penske Logistics will offer our customers additional services and even greater flexibility.

So you can see we achieved a lot in 2021 – both within the team and together with you, our valued customers, suppliers and friends of Röhlig Logistics.

I am very much looking forward to making 2022 just as successful with you!

Philip W. Herwig
Managing Partner and
Chairman of the Global Executive Board





CONNECTED WHAT CONNECTS US

With everything that's going on in the world, it can be hard to find a moment to pause for breath. Even in a commercial enterprise, the heart and the mind are both of equal necessity for making sustainable, value-based decisions in turbulent times. Like the preceding year, 2021 was dominated by the coronavirus pandemic. But whereas 2020 was all about responding with flexibility through short-term adjustments and maintaining capacity for our customers, 2021 was a time for us to focus on opportunities. Expanding our digital structures and offerings was already a priority for us before coronavirus – and this evidently continues to be the right decision. Both our customers and our internal working systems are benefiting from excellent digital offerings and opportunities!

CONNECTIONS OF SIGNIFICANCE

Philip W. Herwig

“Digitisation can sound like a cool, rather overused management buzzword, but for me it means something quite different. It is about creating strong connections. For better company processes, to create new opportunities, but also for more closeness and connection between the people who are always there, behind every process.”

COMBINING STRENGTHS THROUGH JOINT VENTURES

Hylton Gray

“Every company has its own special strengths. If two powerful companies combine their core competencies by forming a joint venture, it

unlocks exciting new potential – which is just what is happening with Röhlig Penske Logistics. This venture has enabled us to expand impressively in the area of contract logistics and to ensure a higher level of service for our customers.”

GOOD SERVICE IS ALWAYS PERSONAL

Ulrike Baum

“The customer is never just a number for us, but a person with a name, to whom we want to offer the best possible assistance by means of our services. Personal named contacts, offices in over 30 countries, continuous expansion of our global network and still the family spirit of an owner-operated company. Personal connections help us show our customers how important they are to us!”

OUR SUCCESS HAS PROVED US RIGHT

Dr Robert Gutsche

“Good business figures are not just a cause for celebration – they also offer confirmation that we are on the right path. After all, customer satisfaction will ultimately determine our long-term success as a company. Our gross sales broke the one billion barrier for the first time in 2021 (EUR 1.5 billion compared to EUR 0.9 billion the year before), making it the most successful business year in our company's history.”





NEW CONNECTIONS THROUGH DIGITISATION

For Röhlig, digitisation means digitising the customer supply chain and rendering it visible. In doing this, we enable our customers to actively counter global risks, maintain their delivery capability and automate their supply chain processes.

FOCAL POINTS INCLUDE:

- **SPEED:**
Immediate quotation and booking for air and sea freight
- **TRANSPARENCY:**
Track & trace, reporting & analytics solutions
- **AUTOMATION & INTEGRATION:**
EDI & API interfaces to customer applications
- **SUPPLIER MANAGEMENT:**
Purchase order management
- **DATA SECURITY:**
Protection of customer data against misuse and theft
- **SCALABILITY:**
Development of secure, quickly available cloud applications
- **DIGITAL NETWORKING:**
Connecting agents, carriers and data providers

We are investing tens of millions for our customers and are expanding our freight and contract logistics solutions with digital solutions. All of these initiatives originated from our Blue Star strategic programme.

Conrad Franchi, Chief Digital Officer at Röhlig Logistics, explains: “We have set ourselves ambitious goals. By 2030, we want to be the ‘most digital’ freight forwarder at SME level, while continuing to offer personalised customer service.”

Our strategic partnership with IT service provider q.beyond will allow us to build the foundation for this, with the requisite expertise and capacities. We have established two spin-off companies to achieve this: logineer and cargonerds. Each of the two companies has established strategic partnerships with software providers (including Wisetech, Magaya, SAP and Microsoft) and they are both operating independently of Röhlig.



MORE
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[cargonerds.com](#)





STRENGTHENING OLD CONNECTIONS - CREATING NEW CONNECTIONS

A good network is made up of efficient connections and strong intersections. Our global network already includes offices in more than 30 countries. The strategic expansion of our network, for example through the establishment of offices in important trading cities, provides for excellently networked supply chains.

The opening of each new site in India, Germany and the United Arab Emirates (UAE) marks an important milestone in the expansion of the Röhlig network. These new sites expand the opportunities available to our existing customers and offer excellent potential for attracting new ones.

HYDERABAD AND VIZAG: These two Indian cities hold enormous potential thanks to developments in the health, IT and consumer goods sectors, as well as the chemical industry. Vizag is a gateway harbour that has close connections to Southeast Asia, while Hyderabad has an international airport and is within reach of some of India's most important harbours. Our sites are close to high-growth economic locations and also serve to expand our logistics network. Röhlig now has twelve offices in India.

BERLIN: Our newest office, right beside Berlin airport, is ideally positioned to benefit from the logistical possibilities within the region: air freight, sea freight and rail transport. This enables us to tap into the constantly growing industrial sites in Eastern Germany, spanning areas from pharmaceuticals and the automotive industry to heavy industry.

DUBAI: The largest city in the UAE plays a leading role as a regional centre and a hub for transports between Asia, Africa and Europe. The combination of outstanding existing logistics facilities and a favourable location opens up attractive potential for expansion.





COMBINING STRENGTHS FOR SUCCESS

In 2021, we succeeded in achieving a number of important milestones in Röhlig's development. These include the founding of the Röhlig Penske Logistics GmbH joint venture, which presents entirely new opportunities for expansion but also an improvement in service level. The starting point for the joint venture was the successful collaboration between Röhlig and Penske in Europe.

Together, we serve customers in the automotive, food and production industries, with the joint venture opening up synergistic advantages at multiple levels. The addition of 55,000 square metres of storage space, transport management and e-commerce logistics has enabled us to significantly expand our capacity in the area of contract logistics. The result: existing customers can enjoy better service and opportunities are opening up to gain new customers in Western Europe.

Around 100 employees work at the Nettetal (Germany) and Roosendaal (Netherlands) sites. The new company will be 80 percent owned by Röhlig Logistics and 20 percent by Penske Logistics.





BUSINESS DEVELOPMENT IN 2021

OVERALL DEVELOPMENT

MARKET ENVIRONMENT

2021 was dominated by the coronavirus pandemic. However, development during the year was completely different from what we saw in 2020 despite the continuation of restrictions. In fact, 2021 was the most successful year in the 170-year history of the Röhlig Group. Global trade in goods and services rose by 9.3 percent following a drop of 8.2 percent the previous year. This strong growth presented major challenges for all companies in terms of global logistics. Under the prevailing market conditions, it was difficult for carriers to offer adequate capacities and equipment. This was the case both in sea freight, due to limited availability of ships and containers, and in air freight, where there was a shortage of freight capacity on account of a reduced number of passenger flights. These circumstances meant prices remained very high. At the same time, clearance terminals were overloaded across the globe. We made every effort to continue serving our customers despite this low capacity, considerable delays and increased freight prices – at multiple times the standard rate in some cases – in both air and sea freight.

CURRENCY PARITIES

2021 was shaped by significant fluctuations in the currencies relevant to us, meaning Röhlig recorded currency gains of EUR 1.8 million in its consolidated income statement (almost exclusively from translation risks). Currency fluctuations led to an equity increase of EUR 2.9 million.



The development of the US dollar played an especially significant role here: while it was still trading at around 1.22 to the euro at the start of 2021, it was just 1.13 to the euro by the end of 2021, meaning that the US dollar had become around 7 percent stronger against the euro.

The development of the Chinese yuan also impacts us. This increased in value by around 10 percent over the year, from 8.02 to the euro as at 1 January 2021, to 7.19 to the euro as at 31 December 2021.

RECORD NET INCOME, SALES GROWTH, INCREASED ORDER VOLUME

In 2021, our profit increased in each successive quarter, with record profits by the end of the year. Over the year, order volume (+13.5 percent) and gross profit increased in the sea and air freight sectors, though it still remained below the 2019 pre-coronavirus level due to reduced capacities on the market. Net sales experienced strong growth of 83.5 percent, driven by the dramatic increase in freight rates in the air and sea freight divisions.

While gross profit in the sea freight sector enjoyed particularly significant growth of 65.8 percent, we also achieved a strong increase of 40.7 percent in gross profit within the air freight sector. This rise was influenced in particular by the expansion of charter business during the second and fourth quarters.

Contract logistics once again saw solid growth, with gross profit increasing by EUR 3.0 million compared to 2020, to a total of EUR 15.2 million.

ON THE OFFENSIVE THROUGH DIGITISATION

We are increasing our focus on digitisation, and in 2021, we entered into a partnership with q.beyond AG with the aim of strengthening services and developments in relation to IT products. Our new partner will bring together projects, services and developments, and act as an IT service provider for all Röhlig companies, customers and other interested parties.

We hold a 49 percent stake in q.beyond logineer GmbH (logineer) and a 74.9 percent stake in cargonerds GmbH (cargonerds). While logineer offers IT solutions, cargonerds creates custom interfaces and web solutions in the area of digitisation.

We now have a strong IT service provider at our side thanks to our collaboration with q.beyond AG. This partnership will allow us to improve our competitiveness, in particular through the expected optimisations, the expertise of q.beyond AG in terms of developing and accessing digital solutions, and improved opportunities to gain talented, qualified employees.

EMPLOYEES: SLIGHT INCREASE IN EMPLOYEE NUMBERS IN 2021

After cutting some 120 jobs globally within the Group in 2020, we were cautious about employing new staff, especially in the first half of 2021. In 2021, we had 1,697 employees within the Group, having employed an additional 27 people at Group level. This figure is largely made up of additional appointments in China (+33), Australia (+28) and the USA (+16), the two newly consolidated companies in the United Arab Emirates (+5) and Vietnam (+9), and, on the other side of the scale, the deconsolidation of Bluenet (-48) and the cutting of jobs in France (-18) and New Zealand

(-11). A net increase of 32 employees was recorded among the associated companies. The most substantial changes occurred as a result of the transfer of Bluenet employees to logineer (+41) as well as layoffs in South Africa (-17). In light of the positive business development, we were experiencing, the employment of additional staff was important in order to guarantee customers a high quality of service.

Personnel expenses increased significantly in 2021, by around 25 percent. This was due in particular to increased bonus payments, premiums and sales commissions arising from the very good results achieved, as well as a substantial voluntary special payment to all employees. These special payments, which constitute 18 percent of all personnel expenses, were a gesture to recognise our employees' strong commitment amid a challenging market situation, and a means of enabling them to share in the positive result achieved by the company. We paid out the first part of the special bonus in July 2021.

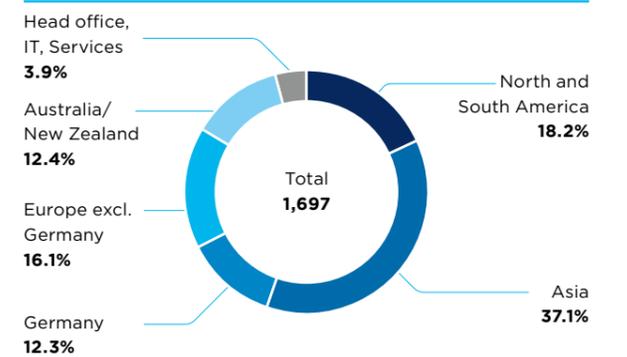
EMPLOYEE DEVELOPMENT DESPITE THE PANDEMIC

The coronavirus pandemic continued to strongly impact the global working situation in 2021. To protect our employees and limit contact, we implemented a home office model at our sites around the world wherever and whenever possible. We also offered varied online training on stress management, time management and virtual management. At the same time, we implemented our Blue Step and Blue Arena management development programmes on an entirely virtual basis. We also carried out another global employee survey, with very good participation and an improved result in comparison to the previous survey two years before.

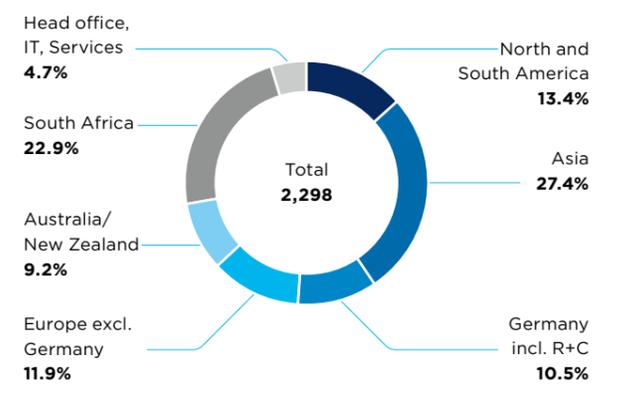
Additionally in 2021, we organised a digital global conference involving all managers and directors and a digital event for all employees globally, with the executive board answering questions from participants at this event.

We also rolled out a global remote working policy, which stipulates that employees can use 40 percent of their working hours working remotely, and must spend at least 60 percent of their working hours in the office. Our intention is to ensure that we can continue to benefit from our positive experiences of mobile working in the future.

Distribution of employees by region in 2021 (consolidated companies)



Distribution of employees by region in 2021 (Group)



FINANCIAL PERFORMANCE AND FINANCIAL POSITION

SIGNIFICANTLY IMPROVED FINANCIAL PERFORMANCE COMPARED TO 2020 THANKS TO SEA AND AIR FREIGHT BUSINESS

At EUR 1,516 million in the year under review, gross consolidated sales were around 68 percent higher than the previous year's figure of EUR 903 million. By contrast, while the increase in the cost of purchased services from EUR 483 million to EUR 1,001 million was much lower in absolute terms, the percentage increase was greater at 93 percent. This led to a significant increase in gross profit to EUR 214 million. At the same time, the gross profit margin to net sales decreased from 21.5 percent in 2020 to 17.9 percent in 2021.

All regions played a role in the growth in Group sales, with Asia and North America leading the field here. Gross sales in Asia increased from EUR 141.6 million to EUR 278.2 million (+96 percent), while the figure for North America grew from EUR 165.1 million to EUR 319.4 million (+93 percent). The other regions also contributed towards this strong growth: gross sales in Germany totalled EUR 296.2 million, while the figure for Europe excluding Germany was EUR 283.9 million. In addition, gross sales amounted to EUR 271.9 million in Australia/New Zealand and EUR 66.4 million in South America. This extraordinary growth is due in particular to the significant increase in sea freight rates as compared to the previous year.

Consolidated income statement (key data)

in kEUR

	2021	2020
Gross sales	1,516,134	902,590
Excise duties, import turnover taxes	-323,113	-252,572
Net sales	1,193,021	650,018
Changes in inventories	22,795	8,035
Purchased services	-1,001,493	-517,606
Gross profit	214,323	140,447
Other own work capitalised	366	530
Personnel expenses	-109,125	-87,160
Depreciation and amortisation	-2,391	-2,580
Other operating expenses/income	-45,357	-41,315
Income from participation	3,602	1,921
EBIT	61,418	11,843
Net financial income/expense	-1,152	-1,165
Net income from ordinary business operations	60,266	10,678
Taxes	-14,041	-2,846
Earnings after taxes	46,225	7,832
Cost for partial profit transfer	-1,200	-1,200
Consolidated net profit	45,025	6,632

The Group also succeeded in increasing order volume by 13.5 percent across all geographic and product segments, while gross profit grew by 52.6 percent - slightly lower than the increase in sales. Gross profit rose by EUR 48.8 million to EUR 123.0 million in the sea freight segment and by EUR 22.0 million to EUR 76.1 million in the air freight segment. In the contract logistics segment, we succeeded in growing gross profit to EUR 15.2 million thanks to new business.

The ratio of personnel expenses to gross profit improved from 62.1 percent in 2020 to 50.9 percent in 2021. This is due to a disproportionate increase in gross profit in relation to personnel costs.

Depreciation decreased slightly from EUR 2.6 million in 2020 to EUR 2.4 million in 2021.





Other operating expenses/income increased by 9.8 percent on the previous year. On this matter, it should be noted that the other operating income includes a consolidation effect of EUR 1 million arising from changes in the scope of consolidation. Currency gains of EUR 1.8 million are also included. Increased expenditure arising from the rental of warehouse space for the expansion of our business and bad debts are also posted under other operating expenses.

Income from investments almost doubled in line with business development, rising from EUR 1.9 million in 2020 to EUR 3.6 million in 2021.

The financial result of EUR -1.2 million was at the same level as the previous year. As a result of strong financial performance in 2021, we recorded a slight increase in the use of our credit lines across the entire year despite considerable

expansion of our working capital. We also benefited from slightly more favourable interest conditions because our key figures led to a decrease in interest margins in 2021.

Thanks to this strong growth, we were able to increase our EBIT from EUR 11.8 million to EUR 61.4 million by means of further rigorous cost management. At EUR 45.0 million, the consolidated net profit was significantly higher than the 2020 figure of EUR 6.6 million.

FINANCIAL POSITION: SIGNIFICANT INCREASE IN TOTAL ASSETS

The consolidated companies' total assets rose by 85 percent year on year to EUR 328.8 million. The increase in total assets was driven mainly by current assets. Work in progress more than

doubled by EUR 27.0 million to EUR 51.2 million (an increase of around 112 percent) as a result of the higher freight rates and in spite of the continued professionalisation of working capital management. Receivables increased by around 92 percent to EUR 225.7 million. As a result of the strong financial performance and despite the considerable expansion of working capital, cash in hand also increased significantly by 98 percent to EUR 14.7 million. This is also linked to the charter advance payments received in the fourth quarter, which meant that we closed the year with cash in hand exceeding the credit lines drawn.

On the equity and liabilities side, we were able to significantly increase consolidated reserves by EUR 33.1 million (around 139 percent) to EUR 57.0 million. Equity conversion at the historical rates had a positive effect on currency adjustment items, causing equity to increase by EUR 2.9 million. The appreciation of the Chinese

yuan accounts for over one third (around 39 percent) of this increase. The remainder is spread across a range of currencies, though it is especially linked to the rise of the US dollar against the euro.

Under liabilities, provisions for forwarding more than doubled from EUR 31.1 million to EUR 68.3 million (an increase of 120 percent) as a result of the increase in freight rates. We also reduced our liabilities to banks by over EUR 4.1 million to EUR 26.1 million. Like the increased bank balance on the current assets side, this development is due to consistent cash generation throughout the financial year.

The increase of EUR 9.8 million in liabilities to shareholders resulted from the partial posting of company profits to shareholder accounts, where the funds will be available for dividend payments dependent on the further success of the company.

Balance sheet table (abridged)

in kEUR

ASSETS	31.12.2021	31.12.2020	LIABILITIES & EQUITY	31.12.2021	31.12.2020
Non-current assets			Equity	60,688	24,201
Intangible assets	1,918	3,337	Silent partnerships	10,000	10,000
Tangible assets	6,058	6,474	Liabilities		
Financial assets	12,467	8,901	Provisions	101,753	46,815
	20,443	18,712	Liabilities to banks	26,116	30,180
Current assets			Liabilities to shareholders	10,146	334
Inventories	51,235	24,210	Other liabilities	120,050	65,547
Receivables and other assets	225,750	117,236		258,065	142,876
Cash in hand and at banks	29,731	14,983	Accrued income	1	0
	306,716	156,429			
Accrued income	1,595	1,936			
			Total equity and liabilities	328,754	177,077
Total assets	328,754	177,077			



We are currently at an advanced stage of negotiations concerning a new syndicated loan agreement, which will replace the agreement amended in 2020. The new agreement provides for a significantly higher unsecured volume of EUR 80 million, combined with an increase option for acquisitions. The term of three years will secure the financing of the Group until the second quarter of 2025. The new agreement will also include extension options of up to two years. The covenants negotiated as part of the new loan agreement offer us sufficient scope to map the growth we aim to achieve and to ensure adequate flexibility to cope with unforeseeable significant downturns in the course of business.

The existing lines had been drawn in the amount of EUR 23.5 million as at the reporting date. Overall, credit lines in the amount of EUR 2 million were drawn in 2021.

The equity ratio calculated under the existing syndicated loan agreement taking account of the silent partnership increased slightly by 5.2 percentage points to 24.6 percent.

The liquidity situation has improved significantly compared to the previous year, with net cash totalling EUR 3.4 million as at 31 December 2021 (compared to a net debt of EUR 15.4 million as at 31 December 2020).

All covenants for 2021 agreed in August 2020 in the current syndicated loan agreement have been upheld.

To help us finance and secure the development of our company, we also continue to be supported by our longstanding financing partner NORD Holding, Hanover. An extension of the financing through NORD Holding in the existing amount until October 2025 is currently planned by means of a unilateral exercising of options by the Röhlig Group. However, an agreement with NORD Holding will stipulate that the financing may be repaid in instalments of EUR 1 million and multiples thereof subject to a notice period of two months. It is currently planned that the financing through NORD Holding will be repaid in the amount of EUR 5 million by 31 December 2022.

As part of our liquidity management, we regularly monitor the key figures of days sales outstanding (DSO) and days payable outstanding (DPO). These figures help us to optimise our working capital management on an ongoing basis. In particular, we use this data to develop individual action plans for our subsidiaries in Germany, the USA, the UK, France, Australia and New Zealand. In view of the uncertain macroeconomic outlook, additional measures planned for 2022 are aimed at the further automation and digitisation of loans and receivables management.

Financial obligations of EUR 47.2 million within the Group largely arise from the long-term leasing of warehousing space (>5 years).

Cash flow statement (abridged)

in kEUR	2021	2020
Result for the period	45,025	6,632
Depreciation and amortisation	2,391	2,580
Profits from associated companies	-3,514	-1,818
Changes in provisions	46,350	10,489
Changes in receivables, inventories and other assets	-130,422	-32,840
Changes in trade accounts payable	56,005	5,736
Loss/profit from deconsolidation	-1,018	45
Interest	2,351	2,365
Taxes	5,911	654
Other	-1,373	1,346
Cash flow from ongoing activities	21,706	-4,811
Cash flow from investment activities	547	-143
Cash flow from financing activities	-1,668	11,494
Cash-effective changes in cash and cash equivalents	20,585	6,540
Exchange rate and valuation-related changes in cash and cash equivalents	699	-604
Changes in cash and cash equivalents resulting from the scope of consolidation	0	0
Cash and cash equivalents at the beginning of the period	6,965	1,029
Cash and cash equivalents at the end of the period	28,249	6,965

Cash flow from ongoing activities was positively impacted by the significantly higher profits in particular. This led to increased cash flow from ongoing activities up to EUR 21.7 million in total, although it was also necessary to absorb a further considerable increase in working capital.

Dividend payments from associated companies declined slightly in 2021 compared to 2020.

Both major shareholdings, Röhlig Grindrod and R+C Seetransport GmbH & Co. KG (hereinafter R+C Seetransport), posted a significant increase in their pro rata contributions to profits. However, the dividend payment by R+C Seetransport was reduced during the financial year in order to strengthen equity, and the profit owed to the Röhlig Group was initially posted to the reserve fund.

Changes in provisions are due in particular to increased provisions for forwarding at EUR 37.2 million; this results from the significant increase in freight costs from the end of 2020.

The sharp increase of EUR 130.4 million in receivables, inventories and other assets was driven by significantly increased freight costs, some late invoicing because of bottlenecks, and delayed schedules because of a deterioration in customer payment behaviour. The EUR 56.0 million increase in trade payables is also a result of the high freight rates.

The interest income, which remained stable compared to the previous year with interest payments of around EUR 2.5 million, is due primarily to the relatively stable use of credit lines with relatively stable interest rates.

Compared to 2020, investments increased moderately because of a slight rise in investments in non-current assets.

In 2021, cash flow from financing activities was shaped by an outflow of funds in the amount of EUR 1.7 million, mainly from repayments under the syndicated loan agreement. By contrast, 2020 saw an inflow of EUR 11.5 million, driven in particular by the conclusion of the amended syndicated loan agreement dated August 2020.



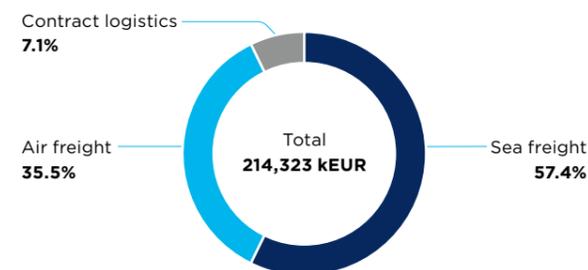


DEVELOPMENTS IN THE DIVISIONS AND REGIONS

POSITIVE DEVELOPMENT IN ALL DIVISIONS

2021 was dominated by the coronavirus pandemic and its impact on global supply chains. Following the uptick in business in November 2020, sales and gross profit increased further from quarter to quarter in 2021. At the same time, the volume by number of orders processed increased by 13.5 percent for the full year of 2021 compared to 2020. Consequently, gross profit rose by EUR 48.8 million (+65.8 percent) in the sea freight sector, EUR 22.0 million (+40.7 percent) in the air freight sector and EUR 3.0 million (+24.9 percent) in the contract logistics sector.

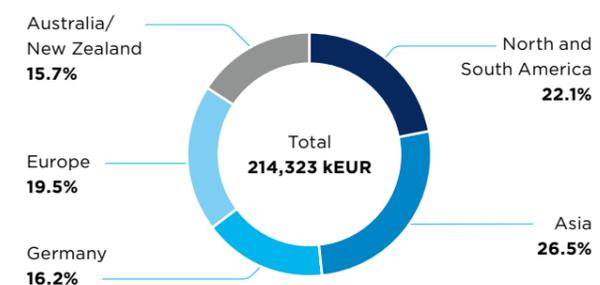
Gross profit by division (consolidated companies)



From a regional perspective, development in 2021 was overwhelmingly positive. Gross profit increased by EUR 22.3 million (64.5 percent) in Asia, EUR 18.4 million (63.7 percent) in America, EUR 12.7 million (43.8 percent) in Europe excluding Germany, EUR 10.4 million (42.5 percent) in Germany and EUR 10.1 million (42.9 percent) in Australia/New Zealand.

While the gross profit rose by 52.6 percent at consolidated companies level, there was a slightly smaller increase of 48.6 percent in gross profit at Group level - i.e. taking account of the companies Röhlig-Grindrod and R+C Seetransport. This is due largely to the smaller increase of EUR 4.7 million (18.2 percent) in gross profit in Africa. In this context, the specific circumstances in South Africa and the fact that the gross profit was already very high in South Africa in previous years should be taken into account.

Gross profit by region (consolidated companies)





DIVISIONS

Sea freight

in kEUR

	2021	2020	Change in %
Gross profit	122,998	74,169	65.8

In line with the trend since November 2020, capacities were limited on all core shipping routes in 2021. At the present time, it is not possible to predict when sufficient capacities will be available once again and freight rates will therefore drop.

The capacities offered by the carrier were still insufficient to satisfy the high demand. As a result, short-term spot freight rates remain very high depending on the shipping route. The shortage of empty containers, particularly in Asia, still has not been resolved. The combination of high demand and reduced employee numbers as a result of the pandemic is causing considerable harbour and terminal congestion worldwide, and this has recently developed again in China due to the Chinese government's zero-COVID policy and the resulting lockdowns. Carrier punctuality declined further in 2021 and has now reached an all-time low, with just 30 percent of ships reaching their destinations on time in January 2022. This has resulted in higher stress levels within customer supply chains.

The transport volume of TEU 256,000 in the FCL segment in 2021 was around 5 percent higher than the pre-crisis level in 2019. Key improvements

include closer collaboration with our customers, which has resulted in a more in-depth understanding of their supply chain requirements. This has allowed us to secure additional transport capacities.

As a result of the changed market conditions, we concluded a three-year contract with one of our core carriers on key shipping routes at the end of 2021. With conclusion of this contract, combined with active risk management through the agreement of long-term contracts with our customers, we hope to be better able to meet the high demand. In parallel, we are also focusing more closely on our own LCL offering for our customers with the aim of further increasing our capacity utilisation in that area.

For 2022, we expect sustained demand for freight capacity, which will continue at least until the end of the first half of the year. New capacities will only be added to a limited extent. This means our strong focus on freight capacity management will be crucial, because shipping companies will continue trying to limit supply in order to charge high prices.

Our customer focus will continue to be on providing a high-quality service by means of dedicated freight capacity agreements. Our allocation management system will continue to make a significant contribution to ensuring supply chain security for our customers in 2022.

Air freight

in kEUR

	2021	2020	Change in %
Gross profit	76,089	54,075	40.7

As in 2020, global air freight in 2021 was severely impacted by the restrictions relating to the coronavirus pandemic and the various degrees of lockdown imposed in most countries. At the same time, global demand for airspace increased 6.9 percent in 2021 compared to 2019 and as much as 18.7 percent on 2020 levels, according to the German Aviation Association (BDL). This development was driven by the general economic recovery. However, cargo aircraft could only partially compensate for the limited passenger aircraft belly capacity. Freight rates in Germany increased significantly once again in the final quarter of 2021. We expect rates to remain high in 2022.

Contract Logistics

in kEUR

	2021	2020	Change in %
Gross profit	15,236	12,203	24.9

Our investments in contract logistics capacity paid off in 2021. Thanks to the improved utilisation of our warehouse space in particular, we achieved a 24.9 percent increase in contract logistics gross profit. Our warehouse in Nettetal contributed significantly to this achievement, increasing gross profit by EUR 0.7 million. This also formed a good foundation for establishing the joint venture in the field of contract logistics with our partner Penske, effective from 1 January 2022. This will contribute significantly to enabling us to almost double our contract logistics business in 2022.





REGIONS

Germany

in kEUR			
	2021	2020	Change in %
Gross profit	34,717	24,366	42.5

The German organisation increased gross profit by 42.5 percent on the previous year. Growth in the air and sea freight sectors was impacted by the effects of the pandemic and the resulting urgent air freight shipments and charters. Shipments for the automotive and medical industries constituted a significant amount of the additional quantities transported. Sea freight rates were high and

demand led to very positive results. The contract logistics sector performed considerably better.

Röhlig Germany opened a new branch in Berlin in October 2021. Located beside Berlin Brandenburg airport, the team of experienced logistics specialists there offer global air freight, sea freight and rail transports. Röhlig Germany will also take over the management of the newly-founded joint venture Röhlig Penske Logistics, which will enable us to further expand our presence in Europe and offer our customers in the EU even greater flexibility with warehousing space of more than 75,000 square metres in Germany and the Netherlands.

Europe

in kEUR			
	2021	2020	Change in %
Gross profit	41,742	29,036	43.8

The Southern Europe region is experiencing positive development. Gross profit in Italy increased by 45.6 percent. We also enjoyed good growth in Spain and achieved a positive result. France has also recorded steady growth, with a 5.5 percent increase in gross profit. By attracting new customers and further developing the existing customer portfolio, it was possible to further expand the order volume. A successful management change took place at the head of the French organisation. The strong development in the last quarter was driven by trade between France and the USA in particular.

The Northern Europe region (UK, Belgium, Netherlands and Denmark) saw very positive development, with gross profit increasing 100.0 percent on the previous year. Our British subsidiary achieved extraordinarily good results in Asia-Europe trade with orders in the retail and furniture sectors.

Over the course of the year, Röhlig UK has established an experienced team for simpler, faster handling of the changes in customs arrangements arising from Brexit.

North and South America

in kEUR			
	2021	2020	Change in %
Gross profit	47,293	28,892	63.7

The situation in the USA was very tense due to US ports being overloaded. This overload soon also impacted rail networks, container terminals, and roads. As the domino effect spread along delivery chains, delays arose and the Röhlig team had to take on a great deal of additional work in handling the transport processes. With delivery chain delays and freight rates for air and sea freight at an all-time high, many of our customers opted for periodic air freight charter flights.

In the USA, gross profit was 74.7 percent above the previous year. Both sea freight and air freight achieved extraordinarily good results. The focus was trans-Pacific traffic in sea freight. In air freight, significant volumes were achieved through block space agreements and charter flights from Europe to Australia.

Latin America delivered a strong result with gross profit growth of 36.3 percent; Mexico, Chile and Argentina made significant contributions to this. In Chile, we were able to support our existing customers with specific solutions such as charters. The good result in Argentina was also achieved through the expansion of business relationships with existing customers. Our success in Mexico was built on the acquisition of several new major customers in the automotive sector. Our development of innovative solutions played a significant



role here, such as shipping via small Mexican ports for customers wanting to avoid the overloaded seaports in Los Angeles/Long Beach. Uruguay and Bolivia also delivered a good result.

Asia

in kEUR

	2021	2020	Change in %
Gross profit	56,827	34,539	64.5

The development of business activities in Asia was consistently positive in 2021. The most significant country in this development is China, with gross profit of EUR 29.3 million and growth of 84.1 percent. Most other countries recorded growth exceeding 50 percent (Thailand: 91.7 percent, Malaysia: 86.5 percent, Taiwan: 76.0 percent, Indonesia: 70.2 percent, Vietnam: 65.0 percent, India: 58.7 percent, Korea: 49.0 percent). It should be noted here that at the beginning of 2021 responsibility for Vietnam was removed from the organisation for Thailand, and so Vietnam is now an independent national company on the market with its own separate licence. In addition, we opened separate offices in Hyderabad and Vizag, and India has been paying full allocations to Head Office since 1 April 2021.

Singapore also records significant growth at 30.2 percent with gross profit of EUR 2.6 million. Only Hong Kong lagged behind the high level of growth seen in other countries, with gross profit of EUR 5.1 million and growth of 4.1 percent. The main challenge in Hong Kong is reviving air freight business again. We created the foundation for this

in 2021 with the conclusion of a series of framework agreements with our air freight carriers. Beyond this, Hong Kong is set to be more strongly integrated into the economic area of South China.

In China, we legally separated out our contract logistics business at our Chongqing site in 2021. Having expanded our warehouse in Kuala Lumpur, Malaysia in 2020, we were able to achieve 100-percent capacity utilisation there in 2021.

At the beginning of 2022, the growing crisis in Ukraine meant we had to discontinue our railway offering between China and Europe, after it had been significantly expanded in 2021. We are currently planning to offer our customers alternative routes in the following combinations: railway/air freight, truck/air freight, sea freight/air freight.

In November 2021, as part of our expansion in the Near East, we opened a new Röhlig office in Dubai that is under the leadership of the Röhlig-Grindrod Executive Team.

Dubai plays a critical role not only in regional logistics but also as a hub for connections between Asia, Africa and Europe. We will use Dubai as a catalyst for further expansion in the Middle East.

Australia/New Zealand

in kEUR

	2021	2020	Change in %
Gross profit	33,744	23,614	42.9

Business activities in the Australia and New Zealand region continued the strong development from 2020. Due to increased market share, we have achieved a rise in gross profit of 42.9 percent in another challenging year.

The contract logistics sector was expanded through the acquisition of multi-national customers. In sea freight, growth of trade with Europe and Asia continued. We achieved fantastic results in both FCL and LCL business.

Alongside the positive development in sea freight, our block space agreements from the USA and Europe ensured that we were able to offer our customers a high level of service and that the punctuality of deliveries during the pandemic was above the market average.

Africa

in kEUR

	2021	2020	Change in %
Gross profit	30,740	26,001	18.2

The Africa region is served by the Röhlig-Grindrod company in South Africa and Mozambique. Following our acquisition of shares from former minority shareholder Calulo Services, we now hold 50 percent of Röhlig-Grindrod. This means the consolidated financial statements have been prepared using the at-equity method.

The effects of the COVID-19 pandemic on the South African economy were also more serious than in most other countries in 2021. Despite difficult conditions, our South African organisation finished the year with very good results. This was achieved by means of a strong and dynamic sales team and fantastic operational support. Röhlig-Grindrod expanded its business activities in all freight areas, and outstanding growth was achieved in the contract logistics area in particular.





OUTLOOK

THE CORONAVIRUS PANDEMIC AND UKRAINE CRISIS

With the coronavirus pandemic still not behind us, the economic outlook for 2022 has become significantly gloomier with the Ukraine crisis.

In October 2021, the IMF was still assuming economic growth of 4.9 percent for 2022. This forecast was reduced to 4.4 percent in January 2022 on account of the ongoing coronavirus pandemic (USA: 4.0 percent, China: 4.8 percent and Germany: 3.8 percent). There has not yet been an updated IMF forecast since the start of the Ukraine crisis. However, the Institute for the World Economy (IfW) based in Germany currently assumes that growth in Germany will halve in 2022.

In parallel to this, in January 2022 the IMF increased its October 2021 inflation forecast from 2.3 percent to 3.9 percent for industrial states, and 4.9 percent to 5.9 percent for emerging economies. These figures do not yet take into account the effects of the Ukraine crisis at all. Currently, DATEV states the estimated March 2022 inflation rate in Germany as 7.3 percent.

According to the International Air Transport Association (IATA), the tonne-kilometres flown in air freight in 2021 were 7.9 percent higher than 2019 – the year before the crisis. This represents significant growth. In December 2021, IATA still

assumed that the tonne-kilometres flown in 2022 would come in at 13.2 percent above the 2019 pre-crisis year, and as such that growth would continue to advance. However, according to IATA, growth of 9.3 percent in December 2021 (compared to the comparable month of the previous year) had weakened by January 2022 to 2.7 percent compared to the comparative month of the previous year. The extent to which this trend will continue cannot currently be foreseen.¹

In global sea freight, after the significant recovery that started in Q3 2020, the trends of high capacity utilisation, lower availability of additional capacity, and very high freight rates continued from quarter to quarter in 2021. Unutilised capacities were not available. According to Alphaliner, the line shipping companies increased their operating profits in 2021 to USD 110 billion, or by 630 percent compared to 2020.² Freight rates are at a consistently high level. The spot rate from Shanghai to Rotterdam for a 40-foot container is currently around USD 14,000. At the same time, the availability of containers is extremely low, and in January 2022 punctual delivery deteriorated to the lowest level since recording of these figures began in 2011. According to sea-intelligence.com, only 30 percent of ships reached their target destination on time. The reversal of this trend as 2022 continues can currently only be foreseen to a limited extent.

¹ www.dvz.de/rubriken/luft/detail/news/was-das-luftfrachtjahr-2022-bringt.html

² www.dvz.de/rubriken/see/detail/news/linienreedereien-stellen-2021-beim-ebit-ihre-eigenen-rekorde-in-den-schatten.html





With this context, it continues to be difficult to provide a reliable forecast for 2022 and subsequent years. Given the economic data and globally high demand for freight volumes in both sea and air freight, and freight rates that are still high but expected to come down, for 2022 we assume a moderate decline in gross profit to EUR 191 million and significantly lower consolidated net profit of EUR 14 million. We expect this trend to continue in 2023, with gross profit of EUR 185 million and consolidated net profit of EUR 11 million. Based on the approved plans, it will be possible to comply with the covenants agreed in the ongoing and future syndicated loan agreement at all times during the budget period, and there is sufficient liquidity to finance business activities.

We are expecting that, alongside sea and air freight, contract logistics will also make a positive contribution to our consolidated net profit in 2022. Our new joint venture with Penske (Röhlig Penske Logistics GmbH) will also contribute to this.

We currently expect to exceed the budget adopted in December 2021 (with gross profit of over EUR 200 million and a consolidated net profit of over EUR 20 million). This forecast is supported by business progress in Q1 2022, which developed positively both in terms of gross profit and net consolidated profit. This growth is coming from all regions, but in particular from Asia, Germany and North America.

BLUE STAR STRATEGY FOR PROFITABLE GROWTH

The clear alignment of governance into a regional structure with ten regions (Germany, Northern Europe, Southern Europe, South Africa, India, Southeast Asia, North Asia, Australia/New Zealand, North America and Latin America) which was initiated in 2020, became well established in 2021. Those responsible for the regions, products and sales collaborate successfully on the Board of Directors (BoD). The BoD also supports the Global Executive Board as a sparring partner and collaborates on the development of individual projects.

At the beginning of 2021, we once again started with the concrete implementation of our Blue Star strategy programme. The programmes dealing with customer service and product excellence, talent, employee and organisational excellence, digital, data and technology excellence, and growth, sales and marketing excellence, as well as profitability and financial excellence, include individual projects for which members of the Global Executive Board are responsible. All these projects are focused on increasing profitability in our core business activities – this is the prerequisite for us being able to increase our size and therefore our market share, and from there to develop new products and services. The eventual goal is to triple volume in sea and air freight by 2030.

Due to high freight rates and the associated significant expansion of our working capital, the Global Executive Board continues to focus on managing

liquidity. For example, the Global Executive Board receives regular reports about the Group's liquidity situation, as all units of the Röhlig Group provide weekly reports looking at the subsequent three months, as well as monthly reports concerning the next nine months; these are then consolidated by the central treasury.

In addition to working on our profitability and liquidity, we also concern ourselves with further strategic approaches. Wherever suitable opportunities present themselves, we will also continue to consider entering new markets or entering into or increasing our shareholdings. This will also be supported in future by an extension option for acquisitions in the new syndicated loan agreement. This is because in order to be a leader in a competitive environment shaped by consolidation, as an independent owner-operated company, we also want to remain relevant in terms of size.

Bremen, 8 April 2022

Global Executive Board





RÖHLIG EXECUTIVE BOARD
FROM LEFT TO RIGHT:

Ulrike Baum, Chief Human Resources Officer

Philip W. Herwig, Managing Partner and
Chairman of the Global Executive Board

Hylton Gray, Chief Executive Officer Air Freight,
Sea Freight, Contract Logistics & Sales

Dr Robert Gutsche, Chief Financial Officer

GLOBAL EXECUTIVE BOARD

The four-member Executive Board of Röhlig is supported by a global regional management level that reports directly to the responsible board members. This is how Röhlig manages the constantly growing number of countries within its global network.

BLUE STAR STRATEGY PROGRAMME

At the beginning of 2021, we once again started with the concrete implementation of our Blue Star strategy programme. The programmes dealing with customer service and product excellence, talent, employee and organisational excellence, digital, data and technology excellence, and growth, sales and marketing excellence, as well as profitability and financial excellence, include individual projects for which members of the Global Executive Board are responsible. All of these projects are focused on increasing profitability in our core business activities.





RÖHLIG ADVISORY BOARD
FROM LEFT TO RIGHT:

- Jan Brorhilker
- Dr Thomas Noth
- Dr Andreas M. Odefey
- Maximilian Frey
- Verena Pausder
- Thomas W. Herwig

ADVISORY BOARD

The Advisory Board is there to advise the Executive Board with broad expertise and extensive industry experience.

“Impressive increases in sales volumes, supported by additional global and digital expansion, led to a record result, more than 75 percent of which was used to strengthen equity.

“Members of the Advisory Board thank the Global Executive Board, the Global and Managing Directors, and all employees for their contribution to an extremely successful year. The success we achieved in 2021 proves the effectiveness of Röhlig’s strategy – but we are always searching for an even better solution.

“We would particularly like to thank all of Röhlig’s customers and business associates, whose confidence in us makes us passionate about our business relationships.”

Thomas W. Herwig
Chairman of the Advisory Board



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PUBLICATION DETAILS

PUBLISHED BY:

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Marion Weiner, Röhlig Logistics GmbH & Co. KG

CONSULTANCY AND REALISATION:

Kirchhoff Consult AG, Hamburg

PHOTOS:

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